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FINANCIAL TIMES

No. 27,263 Thursday May 5 1977 ** 12p

HEDEX

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NEWS SUMMARY

GENERAL

Royal plea for unity

An open plea to maintain the unity of the U.K. has been made by the Queen in the controversy over the Government's devolution plans for Scotland and Wales, which many politicians fear could lead to the break-up of the country.

"I cannot forget that I was crowned Queen of the United Kingdom of Great Britain and Northern Ireland," she told the assembled Houses of Parliament at Westminster Hall for a ceremony marking the start of the Silver Jubilee celebrations.

"Perhaps this jubilee is a time to remind ourselves of the benefits which union has conferred at home and in our international dealings on the inhabitants of all parts of the U.K.," she declared. MPs were surprised by the explicitness of the Queen's remark, while the Scottish nationalists were openly critical.

Uganda to shoot 17 'invaders'

Radio Uganda, reporting capture of 17 members of what it described as an advance party for an invasion from Tanzania, said they would be executed by a firing squad. The group was said to be made up of Tanzanians and Ugandan exiles.

Summit's tasks

The Prime Minister will urge his week-end Downing Street summit to give priority to the related problems of unemployment and inflation in the West. He will suggest that particular attention should be focussed on out-of-work youngsters. Back page.

Newsman's vote

Journalists at the Press Association news agency voted 100-64 yesterday to ignore an instruction from the National Union of Journalists to strike for 24 hours from today to coincide with the union elections. Page 12.

CIA claim

Mr. Victor Marchetti, the former CIA officer, claimed that the U.S. intelligence agency had funded the Australian Liberal and National Country Parties for about ten years and had also funded operations to undermine the Australian Labor Party. Mr. Malcolm Fraser, the Prime Minister and leader of the Liberal Party, categorically denied the allegation. Page 7.

Nixon's burden

Former U.S. President Richard Nixon told David Frost in a TV interview that he felt the American people were weary of the Watergate scandal and that his resignation was a voluntary impeachment. "I have to carry that burden with me for the rest of my life."

Porn 'convivance'

Last fortunes made by the pornography barons of Soho between 1964 and 1972 could not have come about without the connivance of some police officers. Mr. Justice Mans-Jones said at the Old Bailey. He was unimpressed in the trial of six former members of the Obscene Publications Squad who have pleaded not guilty to charges of accepting bribes.

Briefly...

Triumph Union of the Left would obtain a substantial absolute majority in a General Election, according to an opinion poll. Page 4.

Argentine General Alejandro Lanusse, a former president, has been arrested in connection with an alleged factory-building scandal. Page 6.

Janet Fraser, Mrs. Kresky of Austria arrived in Damascus for talks with Syrian leaders on the Middle East question.

Earthquake in Isfahan, the S.W. province of Iran, damaged houses and killed cattle.

COMPANIES

DUNLOP plans a one-for-three rights issue at 85p to raise £26.2m. Page 24 and Lex

P AND O earned £31.12m. pre-tax profit in 1976, compared with £22.7m. in the previous 15 months. Page 25 and Lex

J. SAINSBURY made record pre-tax profit of £26.18m. (£15.42m.) on sales of £663m. (£543m.). Page 26 and Lex

SHARE PRICE CHANGES YESTERDAY

Prices in pence unless otherwise indicated

Higgs and Hill	80 + 5
Huntington	240 + 12
ICI	372 + 16
Johnson-Richards	182 + 7
Marlborough	128 + 5
Newall Machine Tool	311 + 11 1/2
P & O Ltd.	144 + 5
Reckitt and Colman	407 + 19
Royal Insurance	326 + 10
Sainsbury (J.)	109 + 3 1/2
Smith (W. H.)	230 + 18
Smurfit (Jefferson)	167 + 7
Sparrow (G. R.)	180 + 17
Spears and Jackson	130 + 10
Taylor Woodrow	320 + 10
Thomson Org.	535 + 10
Wigfil (H.)	137 + 7
Shell Transport	532 + 16
Ultramar	185 + 10
Pancontinental	512 + 3
Peko-Walsend	210 + 20
RTZ	238 + 8

RISERS

London Stock Exchange 1982 + 3 1/2

14pc 1984 1112 + 2

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14pc 1986 1112 + 2

14pc 1987 1112 + 2

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Pay policy setback as engineers reject third phase

BY ALAN PIKE, LABOUR STAFF, IN EASTBOURNE

The Government's hopes of maintaining trade union support for a pay policy after July suffered one of the most damaging blows yesterday when the Amalgamated Union of Engineering Workers' national committee voted overwhelmingly for an immediate return to free collective bargaining in August.

The decision, following the Ashfield by-election loss, could have serious consequences for the Government.

After a day-long debate showing wide division among union activists on whether members should or would accept further restraint, the union's engineering section national committee voted by a remarkable 50 to 2 to back a return to free collective bargaining from August.

Whatever the outcome of the TUC-Government talks, the AUEW decision, along with the likely rejection of pay policy by the National Union of Mine-workers at its conference in July, means that the vote against Phase Three at any eventual TUC Congress will be led by some large and influential unions.

Even if there is a majority in support of continuing the pay policy, the opposition will be too big to be ignored, and AUEW shop-floor members would feel little obligation to stick to any guidelines.

Even before then, the decision may intensify the difficulties which the union has already experienced in getting members

Flexibility

The vote does not represent the true balance of opinion on the committee and came after delegates in favour of continuing with pay policy realised that they were outnumbered.

They then threw their support behind a resolution which at least ensures that the national committee will be recalled to review the position after TUC Government negotiations.

But after the debate, Mr. Hugh Scanlon, the union's president, whose personal plea in favour of a third, but flexible, phase failed to move the conference,

Leyland, Renault discuss projects co-operation

BY OUR OWN CORRESPONDENT

SERIOUS TALKS are under way between Leyland and Renault about possible co-operation in the future projects for the British and French State-owned car corporations.

The detailed discussions so far have been confined to engines and components and are still at an early exploratory stage. But underlying the contacts between the two groups is the feeling that a combination of chosen manufacturing and marketing areas would give each company added strength.

The key to this thinking is that modernised European companies will become increasingly vulnerable to the expanding Japanese manufacturers and American multi-nationals.

General Motors, Ford and Chrysler, are all developing cars on a world scale, bringing together engineering and design expertise, and marketing similar models through their own franchises in different continents.

The large Japanese manufacturer, Toyota and Datsun, also produce about 2m. cars a year.

By contrast, Leyland is a small producer with an output of fewer than 800,000 cars last year and ambitions of going up to 1.2m.

Renault, which could produce about 1.5m. units this year, has been one of the outstanding expansionary successes in Europe in the last decade, but foresees a major challenge from large companies.

Substantial economies could be made in component production by the car companies coming together and pooling their volumes in certain key ranges.

Obvious candidates for action would be in the engine and transmission field, and in the increasingly important diesel engine sector, which is still not large enough to justify independent manufacturing in many cases.

At the same time, the Leyland and Renault product ranges are complementary in marketing terms. In time this could become more so, given Leyland's strength in the specialist car area and Renault's in the small and medium family saloon market.

There could be scope, therefore, for joint marketing projects. Renault has never made any secret of its general interest in joint projects. In the last decade it has done a great deal of pioneering work in popularising the idea and was a prime mover in a joint engine plant launched with Citroen at Douvrain, France.

Leyland, similarly, has shown open ambitions to follow the lead of Continental companies in a meeting in London last year, when it was reorganised after the Government-backed rescue two years ago.

A link between the two companies became more probable after Peugeot took over Citroen in 1975. This indicates that Renault and Peugeot now look unlikely after Peugeot's emergence as a company of virtually the same size as its nationalised competitor.

Rhodesia initiative move after talks with Vance

BY BRIDGET BLOOM, AFRICA CORRESPONDENT

AN ANNOUNCEMENT on the future of the Anglo-American initiative on Rhodesia will be made after this week-end consultations between the British and American governments.

Dr. David Owen, Foreign Secretary, told the Commons yesterday that he would announce the next step in the initiative, launched when he visited Africa last month, after his talks with Mr. Cyrus Vance, the U.S. Secretary, which are due to be held in London tomorrow.

Although the nature of the announcement will depend on those talks, observers believe that it will take the form of a joint declaration of intention to hold a conference to draw up a constitution for an independent Zimbabwe.

Though both governments would like the conference to be held later this summer, they are not thought likely to name a date at this stage, but to announce their intention of carrying out further consultations with all the parties involved.

That process may start before the announcement is made, for Mr. Joshua Nkomo, joint leader of the African nationalist Patriotic Front, is expected to see both Dr. Owen and Mr. Vance.

However, the main preoccupation of two Secretaries of State this week-end will be to work out a joint strategy for the next steps in the initiative.

Both governments seem to envisage a series of consultations with the interested parties in Africa, followed by meetings of committees or mini-conferences designed to tackle legal, technical, political, and other problems. Only then would a plenary conference be held,

where he has just completed a visit to the Nordic countries, that he saw no objection to U.S. participation in a conference provided its aim was an independent Zimbabwe and not merely a puppet Government there.

Meanwhile, Gen. Acheampong, the Ghanaian leader, is hosting a meeting in Accra of the four main Rhodesian nationalist movements in an attempt to persuade them to unite. It is thought that he has the backing of Nigeria, although observers believe the effort has little chance of success. However, the meeting at least indicates that Dr. Owen's decision to invite all groups to the proposed conference is likely to have considerable African backing.

Lombard Page 2

Testing time for building societies	22	Dark days for Giscard	4
Economic viewpoint	23	Mr. Trudeau and Quebec	6
Comecon's debts	32	Report from Mauritania	7

ON OTHER PAGES

Marketing Exam	22	Co-operative Bk.	30
Head and Masters	22	Dunlop Holdings	33
Windsor News	22	East Lancs. Paper	38
Windsor Market	22	Foreign Ltd.	38
Overseas News	22	Palmerston & Horne	38
Parliament	22	Fitzwilliam Group	38
Reading	22	Crampin Higgs	38
Sharn	22	Greenwich	38
Stock Exch. Report	22	Ottoman Bank	38
The Technical Pace	22	Parsons Langman	38
Today's Events	22	S. Parsons and Son	38
TV and Radio	22	J. Selwyn	38
Walt St. & Overseas	22	St. Gobain	38
Weather	22	W. R. Smith (Mfg.)	38
World Trade News	22	Warrs Wright News	38

ANNUAL STATEMENTS

Asst. Janesons Bk.	24	Dana Cos.	24
Asbeck and Wilcox	24	Linwood Ltd.	24
Asbeck	24	Linwood Ltd.	24
Clerical M. Ltd. Assc.	24	Race Leading Race	24

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£7 to be repaid on every phone

By Elinor Goodhan and Ian Hargreaves

THE POST OFFICE has been told to repay £100m. in excess profits to its customers.

Every telephone user will receive a rebate of £7 for each line they rent. Reductions will also be made in the cost of a cheap rate local call.

Postal charges, however, are to go up in a letter next month as planned.

The telephone rebates, which will amount to several hundred pounds for some companies, result from a Price Commission ruling that the Post Office had exceeded the maximum profit level allowed to it under the Price Code on its telecommunications business by £100m. in the 13 months to the end of March.

The reductions are by far the largest ordered by the Price Commission since it was established in 1973.

The excess profits relate only to telecommunications, which is expected to make a profit for the year of £300m. and which has financial targets laid down by the Government, of making a 6 per cent. return on capital in the three years to 1978-79.

Heavy fire

The postal business which is treated as a separate profit centre, is expected to break even this year and its application for higher prices has been slightly modified by the commission. These changes will cost the Post Office about £3.5m. in a full year.

The Price Commission's word is not final in the pricing decisions of the nationalised industries. Under the Price Code, the Minister responsible for the particular nationalised industry has the power to over-ride the Commission's verdict.

In March, Mr. Anthony Wedgwood Benn, the Energy Secretary, came under heavy fire for giving special treatment to the public sector when he was forewarned in the over-ride the Price Commission's verdict that the British Gas Corporation should not be allowed to raise its prices.

The Government's action on gas prices, which arose from its commitment to the IMF to cut public spending and which was forewarned in the December budget, was attacked by the Conservatives and the unions.

Continued on Back Page

£ IN NEW YORK

Spot	\$1.785-1787	\$1.790-1791
1 month	1.781-1.783	1.786-1.788
3 months	1.771-1.773	1.776-1.778
12 months	1.755-1.757	1.760-1.762

Ulster power workers may support strike

BY KEVIN DONE AND ROY HODSON IN BELFAST

THE INTENTIONS of key workers at the Ballylumford power station near Larne were in doubt last night. Northern Ireland depends on the plant for its electricity supplies.

The Rev. Ian Paisley, MP, who is leading the strike, claimed that the Ballylumford men had given their 100 per cent. support to the United Unionist Action Council strike call. Men on shift work at the station met during the afternoon to consider their position.

But the Northern Ireland Office quickly issued a statement during the evening that only one-third of the day workers had agreed to support the Action Council and it was not clear what course that support would take.

"It is understood that few operational staff attended the meeting and that the electricians dissociated themselves. Later a statement from 70 engineers at the station said they were adamant that they would operate only under the auspices of the Northern Ireland Electricity Services and the technical staff would not take instructions from any other authority in the running of the station," the statement said.

Meanwhile, most sectors of industry in the province continued to function with a reduced workforce.

The Ulster Protestant Loyalists by last night, the end of the second day of their strike, were far from proving that they could halt industry in the province in order to press their aims.

United Ulster Unionist MPs at Westminster yesterday expelled the Rev. Ian Paisley from the group because of his support for the Loyalist strike in Northern Ireland.

Parliament Page 20

strike started, when troops in full riot gear dispersed a mob in East Belfast.

But Mr. Roy Mason, the Northern Ireland Secretary, is demanding that the 30,000 regular and reserve security forces at his disposal should keep the lowest possible profile. He is anxious to avoid the impression that the security forces are reacting against the Protestants.

The police are being given the job of confronting pickets and the gangs intimidating workers. 528 vbg cmf vbg cmf vbg cmfm

The industrial situation was better than the first day of the strike, in spite of the port of Larne, which carries a big proportion of industrial traffic with England, remaining closed.

Harland and Wolff, which employs 8,000 workers, was not at full strength but said that attendance was 10 per cent. better than on Monday.

The aircraft and missile company, Short Brothers and Harland had a 70 per cent. turnout. Monsanto at Coleraine also had a 70 per cent. turnout, in spite of being forced to close during the previous night.

ICI, Courtaulds, Goodyear, and Grundig all reported near to normal production at their plants.

Other companies including Standard Telephones and Cables, General Electric Company, Galloway, and Sirocco Engineering all reported better turnouts than Monday, although they were below full production. The evening Belfast Telegraph was on the streets again, having been classed by the strike-leaders as an essential service. The paper was not printed on Tuesday because of intimidation of staff.

most employers. It demonstrated

Continued on Back Page

Low profile

They want the British Government to start a new offensive against the IRA and set up a new form of devolved government for Northern Ireland.

The Rev. Ian Paisley, MP, who with Mr. Ernest Baird is leading the United Unionist Action Council, pointed out that the power-station workers had always said they would join the strike if the industry of Northern Ireland also responded to the strike call.

Action by the power workers made it possible for the Protestant strike in 1974 to succeed. After 14 days of industrial and commercial stoppages, the power-sharing executive at Stormont thought the strike was petering out and began to persuade the protestors to return to work.

The following day electricity supplies began gradually to run down. The power-sharing executive collapsed that same night.

The Northern Ireland Office and industrial organisations said that more people went to work yesterday than on Tuesday, the first day of the strike. The turnout exceeded the expectations of

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LOMBARD

A journey worth making

BY BRIDGET BLOOM

A FEW weeks ago in this column I criticised the Foreign Office for its announcement that Dr. Owen, then about to set out on his African safari, would not go to Rhodesia even though he was to go almost everywhere else in southern Africa...

My purpose now, however, is not to congratulate Dr. Owen for listening to the wise words of the Press but to praise the Foreign Office (backed by Mr. Callaghan, the Prime Minister in the House on Tuesday) for maintaining its ground on another Ministerial visit to Africa...

Provocative

It may be objected that Maputo will be just one more UN talking shop; or that Mr. Rowlands' airfare there is a waste of taxpayers' money. It is also possible to argue that a British minister's presence at such a conference, only a goner's throw as it were, from Pretoria and Salisbury, is a provocative gesture.

RACING

BY DOMINIC WIGAN

Oats seems to have the edge over strong challengers

AN ABSORBING contest is in prospect for the Ormond Stakes, to be run over one mile five furlongs and 88 yards at Chester this afternoon, and though I believe that Oats will be the winner, he will not have matters all his own way against Decent Fellow, Swell Fellow and Quite Candid as an impressive...

SALEROOM

BY ANTONY THORNCROFT

Taxman's share of Mentmore

SOTHEBY'S CAN breathe a sigh of relief that just four of the choicest items in Lord Rosebery's Mentmore collection have been acquired by the Government before the start of the series of auctions on May 18. Eight of the top lots were being screened, but in the event only the Augustus Rex desk, the French cabinet, Gainsborough's sole sporting picture, a portrait of a scholar by Moroni, were taken by the Treasury in lieu of Death Duties.

CRICKET

BY TREVOR BAILEY

England start favourites

I THINK ENGLAND will regain natural fluency as a result of the pressures resulting from the captaincy and insufficient runs being produced by the other players.



Australian captain Greg Chappell in action

England were thus not consistently outplayed by either side, as they were by the West Indies last summer, yet both previous Australian parties looked on paper to possess more formidable batting and bowling talents than Greg Chappell's present line-up. In recent years, Australia has lost four quality batsmen: Ian Chappell, who was a player of true international calibre as well as being an outstanding fielder, the colourful Staplepole, Kedpath and Edwards. In addition, the side is without Lillee, its most penetrative bowler who has established a considerable psychological advantage over England's batsmen. On his last visit he captured 31 wickets at 17 runs apiece and 21 at 21 apiece.

Tie makers applaud newsreaders

FOUR MALE newsreaders have won the award in 1973. Mr. Baker said: "Because you are appearing on the box, your ties are very much in evidence." He has about 200 ties of which he wears about 20 to 30 regularly. He felt that because Miss Rippon was a woman in a man's world, she had attracted much publicity, but he thought this was a good thing. "She is an incredible, versatile person and it has done us all a lot of good."

TV Radio

- Indicates programme in black and white. BBC 1 6.40 a.m. Open University (UHF only). 8.41 For Schools, Colleges, 10.45 Other People's Children, 11.00 For Schools, Colleges, 12.35 p.m. On the Move, 12.45 News, 1.00 Pobble Hill, 1.15 Regatta, 2.00 You and Me, 2.14 For Schools, Colleges, 3.25 The 60 70 Show, 3.53 Regional News (except London), 3.55 Play School, 4.40 White Horses, 4.45 Scooby Doo cartoon, 4.55 Blue Peter, 5.25 Fred Basset, 5.40 News, 5.55 Nationwide (London and South Coast only), 6.20 Nationwide.

- For Schools (Ulster in Focus), 3.33-3.55 Northern Ireland News, 3.55-4.20 Scene Around Six, 1.00 a.m. News and Weather for Northern Ireland. England-5.55-6.20 p.m. Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth). BBC 2 6.40 a.m. Open University, 11.00 Play School, 2.00 p.m. Racing from Chester, 4.55 Open University, 7.00 News on 2 Headlines, 7.05 Having a Baby, 7.20 Newsday, 8.00 Ealing, 8.00 Cinema: 8.00 Gaumont British News: 8.00 April 1949: 8.10 Passport to Pimlico, 9.20 Sing Country, 10.10 The Light Fantastic, 11.00 Country Tales, 11.20 Late News on 2, 11.40 Close-up of Gary Watson reads, 'The Paradoxes of Time,' by Paul Roche. LONDON 9.30 a.m. For Schools, 10.40 Metric Melodies, 11.00 For Schools (continued), 12.00 Granny's Kitchen, 12.10 a.m. Rainbow, 12.30 All About Babies, 1.00 News, 1.30 To-day's Post, 1.30 Sadie, It's Cold Out, 2.00 Good Afternoon, 2.25 Public Eye, 3.20 Crown Court, 3.50 The Cedar Tree, 4.20 Children's Film Matinee: 'Laurel and Hardy in Toyland', 4.45 News, 5.15 News, 6.00 To-day, 6.25 Cartoon Time, 6.45 Crossroads, 7.10 Paradise Island, 7.40 Thursday Film Premiere: 'Hauer's Memory', 9.30 To-day News, 9.30 To-day News (VHF), 10.50 Could Do Better?, 11.00 What The Papers Say, 11.20 London Votes, 12.30 Pearcey reads 'Prayers'.

F.T. CROSSWORD PUZZLE No. 3,372

A crossword puzzle grid with numbers 1 through 31 indicating starting positions for words.

- ACROSS 1 Spruce involving North Dakota in drink (8) 4 A good hand on which one may progress (3-5) 9 Bert doctor will show up in storm (6) 10 Execution from the south should make a good take-off (8) 12 Clergyman—one in a cathedral (5) 13 The right to purchase a mixed nation (8) 14 It appears in south-eastern location (4) 16 Does it give time for star to telephone (7) 18 Hurry after conservative and moderate (7) 21 Caught mimic in cloak (4) 25 ... and northern mimic goes in railway for linen (6) 26 Hoping for one in a season (8) 28 Bled everyone internally and turned white (8) 29 Is it more daring to be seen at breakfast? (6) 30 Occurrence I'd follow with a bit of envy at night (8) 31 Went west and finished (6) DOWN 1 Felon, being a member of two unions (8) 2 Put up French name in a note (8) 3 Join up and listen to change (6)

LONDON

- 9.30 a.m. For Schools, 10.40 Metric Melodies, 11.00 For Schools (continued), 12.00 Granny's Kitchen, 12.10 a.m. Rainbow, 12.30 All About Babies, 1.00 News, 1.30 To-day's Post, 1.30 Sadie, It's Cold Out, 2.00 Good Afternoon, 2.25 Public Eye, 3.20 Crown Court, 3.50 The Cedar Tree, 4.20 Children's Film Matinee: 'Laurel and Hardy in Toyland', 4.45 News, 5.15 News, 6.00 To-day, 6.25 Cartoon Time, 6.45 Crossroads, 7.10 Paradise Island, 7.40 Thursday Film Premiere: 'Hauer's Memory', 9.30 To-day News, 9.30 To-day News (VHF), 10.50 Could Do Better?, 11.00 What The Papers Say, 11.20 London Votes, 12.30 Pearcey reads 'Prayers'.

COMPANY NOTICES

RENOWN INCORPORATED NOTICE TO E.D.R. HOLDERS. On 22nd April 1977 the Board of Directors met and issued the following report—ANNUAL BUSINESS RESULTS (Audited and on a consolidated basis).

LEGAL NOTICES

NOTICE OF 08/04/1977. In the HIGH COURT OF JUSTICE Chancery Division Company's Court. In the matter of the application of the abovesaid Company for the winding up of the abovesaid Company...

PUBLIC NOTICES

ACQUISITION OF 102,185 ADDITIONAL ORDINARY SHARES IN NATIONAL FOODS LIMITED. NATIONAL FOODS LIMITED (INCORPORATED IN RHODESIA) 102,185 ORDINARY SHARES IN TIGER CATS.

PERSONAL

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Charles Kay and Eileen Atkins in The Prospect Theatre Company's 'Saint Joan'...

illseum... The Sleeping Beauty...

The Sleeping Beauty by CLEMENT CRISP

Patricia Ruanna indisposed, stage monarchs Vsevolod Uchev, Patricia Bart...

Book Reviews are on Page 19

is, such as the Niagara... the Prince must battle... the Hunting scene...

estival Hall Charles Dutoit

One of the problems of our... governing symphony orchestras... is how to fill the spaces...

ugged?

Your transmissions... are received... if you are using a 'Bug'...

Prospect Theatre Company at the Old Vic... Eileen Atkins as Saint Joan...

Record Review Six Russians by DOMINIC GILL

Schumann: Cello concerto. Bloch: Schelomo. Rostropovich, Orchestra Nationale Bernstein. EMI ASD 3334 (£3.50)...

EMI issue this coupling of the Schumann cello concerto with Bloch's Schelomo...

The Entertainment Guide is on Page 38

such essentially unvarnished (robustness) nuance of Vishnevskaya's line. The young Russian pianist Dimitri Alexeev declared a special sympathy for Brahms in his choice of works...



Ralph Richardson, Alan Webb and Celia Johnson in William Douglas Home's 'The Kingfisher'...

Rome opera Anna Bolena by WILLIAM WEAVER

Strangely enough, though other Donizetti rarities have been heard in Rome over the past couple of decades, Anna Bolena... had never been given in the Teatro dell'Opera until last month...

Imperial Tobacco to sponsor 'Don Juan at the NT'

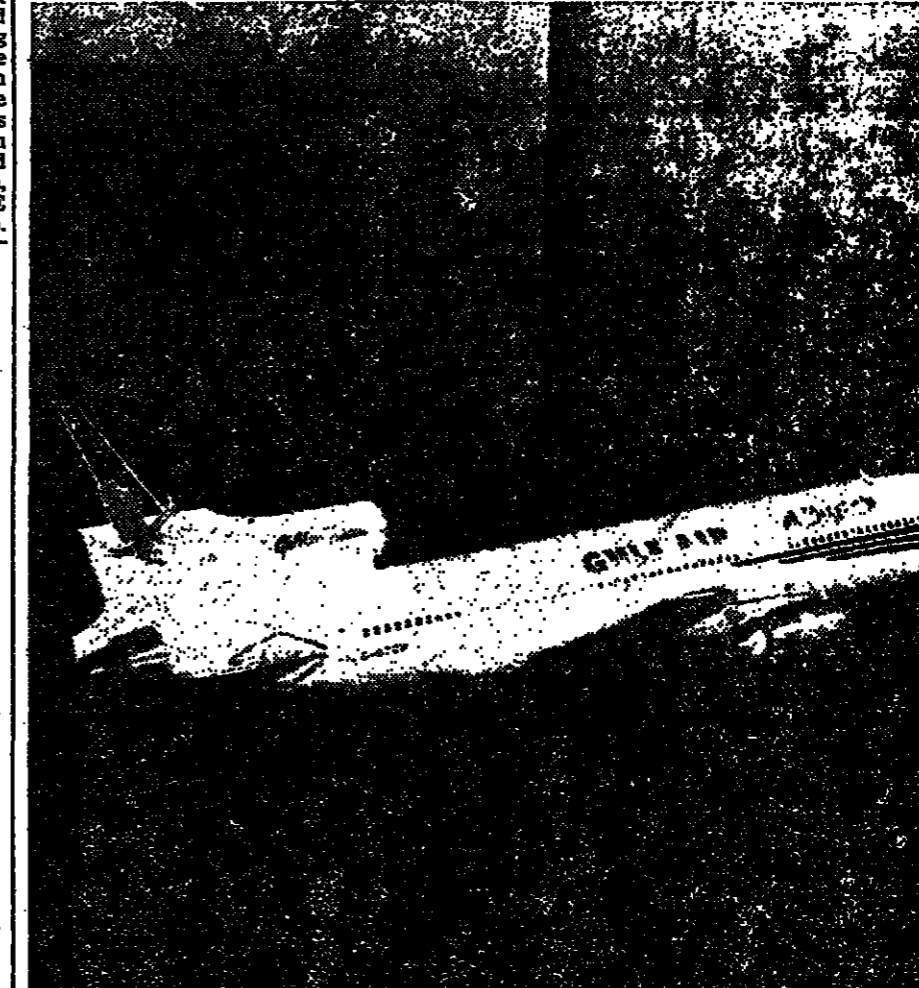
Glyndebourne Festival Opera is bringing its forthcoming new production of Mozart's Don Giovanni to the National Theatre in August...

Purcell Room Authentic Beethoven? by NICHOLAS KENYON

This year's English Bach Festival has raised the problem of "authentic performance" in which had been very extensively restored by Derek Adlam...

World premiere of Tavener's opera 'A Gentle Spirit'

The Nash Ensemble will present the world premiere of John Tavener's opera A Gentle Spirit on June 6 at the Theatre Royal Bath...



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EUROPEAN NEWS

Poll shows French Left would win election

BY OUR OWN CORRESPONDENT

THE UNION of the Left, an alliance of the Socialists, Communists and left-wing radical parties, would obtain a substantial absolute majority in Parliament if a general election were held now in France, according to a public opinion poll published by the right-wing Paris newspaper L'Aurore today.

The combined Left would poll 56 per cent of the vote, compared with only 44 per cent for the Government coalition, the biggest lead it has ever had in a public opinion poll. This would give the Left at least 310 seats in the 490-member National Assembly.

The Socialists and left-wing radical parties, the most moderate groups in the left-wing alliance, easily out-distanced their Communist partners, with 38 per cent of the vote against the Communists' 15 per cent.

On the Government side, the most surprising result of the poll is that the Independent Republicans, President Giscard's most loyal supporters, obtain 19 per cent compared with only 14 per cent for the Gaullists.

Dark days for Giscard

BY ROBERT MAUTHNER IN PARIS

IF PRESIDENT Giscard d'Estaing has an ace up his sleeve which will allow his squabbling coalition to win next spring's general election, it must be hidden somewhere near his "shoulder". Like any good card player, he continues to give the impression that he can produce the trumps at the right moment and affects disdain at all the tricks won by his opponents. But neither his partners nor the French people as a whole now believe he can save the game unless he changes his tactics radically.

An increasing number of French political commentators have been behaving over the past few weeks as if a victory of the Left is a forgone conclusion. Even those who refuse to see the massive swing to the left in the municipal elections in March as a clear pointer to what will happen in the general election, admit that victory of the Socialist-Communist alliance cannot be ruled out.

The President himself conceded in a television interview this week that the Left has a lead of between 4 and 6 per cent, while the latest public opinion poll claims that it is as much as 12 points. Indeed, if there were to be an election today, the Socialist-Communist alliance would obtain an absolute majority in the National Assembly, according to this poll. But M. Giscard is one of the few who believe that the leeway can be easily made up during the next 11 months.

Attack

The Gaullists still the largest group in the National Assembly and thus theoretically the President's main political prop, believe the trend can be reversed, but only if a frontal attack is launched on the Left, with no holds barred. The President, with his distaste for constant political conflict, has always refused to adopt such tactics.

The fundamental disagreement over this question has been at the root of all the crises which have shaken President Giscard's governments, starting with the resignation of M. Jacques Chirac from the premiership last August and culminating in a bitter Parliamentary row last week, which could have toppled M. Raymond Barre's Government only one month after it was formed.

Contrary to expectations, the battle in the National Assembly has not been fought mainly between M. Barre and his Gaullist "allies" while the leaders of the Left, after an initial skirmish, sat back grinning like Cheshire cats at the Government's hammering.

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CONTRACTS AND TENDERS

Arab Satellite Communication Organization Riyadh Kingdom of Saudi Arabia

TENDER NO. 1

"TELECOMMUNICATION CONSULTANCY SERVICES"

The Arab Satellite Communication Organization wishes to establish a Regional Satellite Telecommunication System and invites competent entities for the above-mentioned Tender. The Consultancy services shall be on a retained basis for a period of five years and will cover all implementation stages comprising:

- Survey of Arab countries, present and near future, need of voice record, and programme channels. -Converting the survey into transponders and satellite numbers. -Designing of both space and ground segments. -Participating in bids evaluation and negotiations. -Supervising the manufacturing, as well as construction and testing stages. -Rendering other services such as advising on training, operation and maintenance, and tariffs, etc.

Only Tenders received from Consultants with previous actual experience in similar projects will be considered.

Tenders may be obtained after May 1st 1977 from the following office upon payment of a sum of U.S. \$250.

Arab Satellite Communication Organization, Riyadh, Kingdom of Saudi Arabia.

-The closing date of the Tender is 12 hours (noon), 1st August 1977

-Bids must be enclosed in two separate envelopes.

A.-The first shall contain the Technical and Qualification Offer.

B.-The second shall contain the Financial Offer.

Both shall be clearly marked. The second envelope will only be opened if the Bidder is found technically qualified for consideration.

Bid Bond in cash or Bank Guarantee from an approved Saudi Arabian Bank of U.S. \$25,000 for a period of 6 months shall be received with each bid not later than the closing date.

Offers not complying with the above Tender instructions will be ignored.

All correspondence should be addressed to:

Dr. Ibrahim Obaid Chairman of the Board of Directors Arab Satellite Communication Organization Riyadh Telex 20020 Gentel Riyadh

Philip Morris International Capital N.V.

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Table with columns: SINKING FUND COUPON DEBITURE NUMBER, SERIAL NUMBER, and PAYABLE LETTER M. Lists various numbers and letters.

The Debentures identified above are to be redeemed for the said Sinking Fund at the option of the holder (a) at the W. C. G. Bond Windows, 2nd Floor of the Trustee, No. 111 Wall Street, in the Borough of Manhattan, The City of New York, or (b) subject to any laws or regulations applicable thereto, at the main offices of Citibank, N.A. in Amsterdam, Frankfurt/Main, London (Citibank House), Milan, Paris, Citibank (Belgium) S.A. in Brussels and Citibank (Luxembourg) S.A. in Luxembourg. Payments at the offices referred to in (b) above will be made by dollar account maintained by the trustee with a bank in New York City for redemption. On and after the redemption date, interest on the said Debentures will cease to accrue, and, upon presentation and surrender of the said Debentures with all coupons appertaining thereto maturing after the redemption date, payment will be made at the redemption price out of funds to be deposited with the Trustee. Coupons due June 1, 1977 should be detached and presented for payment in the usual manner.

PHILIP MORRIS INTERNATIONAL CAPITAL N.V. By: CITIBANK, N.A. April 28, 1977

Handwritten note: Jpy 10 1550

EUROPEAN NEWS

W. German unemployed decline by 4.1%

By Jonathan Carr

BONN, May 4. THE NUMBER of West Germans unemployed fell by only 4.1 per cent last month and thus remained below expectations...

The Federal Labour Office in Bonn said today that the number of jobless had dropped in April by nearly 45,000 to 1,039,000, or 4.6 per cent of the labour force...

The figure is especially disappointing since a month ago the Office was able to announce a fall of 10 per cent in the jobless number in March...

There was a good chance that in April the total would go below 1m. To-day's figure makes it virtually impossible that the Government's aim for 1977 of an average unemployment figure of 850,000 can be fulfilled...

The other labour market figures showed a drop of some 16,000 to 241,600 of those on short-time. No improvement is expected here in May since 148,000 are likely to be on short-time in the coalmining industry alone...

The Government feels it has done almost all it usefully can to stimulate the economy. It is even insisting it will go ahead with a 2 per cent increase in value added tax next year...

Opponent underlines Suarez role under Franco regime

BY ROGER MATTHEWS

MADRID, May 4.

SPAIN'S PRIME Minister Sr. Adolfo Suarez has come under fierce attack from right-wing opponents following his televised speech last night during which he announced that he would be remaining for the Lower House of Parliament in the June 15 general elections...

The speech, particularly aroused the anger of Sr. Manuel Fraga, Interior Minister in the first government of King Juan Carlos, now leader of the right-wing Popular Alliance. He immediately challenged the Premier to a televised debate and accused him of forgetting the duty that he owed to the previous regime of General Franco...

Sr. Suarez is confidently expected to head the list of candidates put up in Madrid by the right-wing Union of the Democratic Centre, while Sr. Fraga will head the Madrid list for the Popular Alliance...

Sr. Fraga is expected to try to draw the Prime Minister into highly personal exchanges and will seek to emphasize the fact that until 10 months ago Sr. Suarez was secretary-general of the National Movement, the only political organisation allowed to exist under General Franco...

There was not one word in his speech of the Spain which gave him and his generation possibilities that they had never most certainly took full advantage of, said Sr. Fraga. This is also the line of the left wing, but for reasons of political expediency they were generally much more cautious in their appraisal of the Premier's speech...

Sr. Felipe Gonzalez, secretary-general of the main Socialist Party, the PSOE, described the speech as "straight electioneering" and "very defensive." The reference to defensiveness reflected the worthy justification by the Government of its policy...

Belgian bank rate cut to 6.5%

Belgium will cut its bank rate to 6.5 per cent from 7 per cent from today, Reuter reports from Brussels.

Bank rate last changed on February 17 when it was reduced from 8 per cent.

The Central Bank said the cut is justified because of the general economic situation, and the reduction will help to ease inflationary pressures.

Central Bank sources said the authorities are still anxious to cut interest rates as far as possible.

W. German alert

Police were put on full alert in three West German states yesterday after the reported sighting of Christian Klar, wanted for the killing of Federal Prosecutor Siegfried Buback, Reuter reports from Stuttgart.

The wanted man was reported to have been seen in Mannheim after a gun battle near the Swiss border on Tuesday in which two other suspected guerrillas were wounded and arrested.

Danish F-16 deal

Denmark yesterday signed the final letter of acceptance for the purchase of 58 General Dynamics F-16 fighter planes. AP-DJ reports from Copenhagen.

SWISS BANKING AND THE CHIASSO AFFAIR

A watershed for the system

BY JOHN WICKS IN ZURICH

THE UNENVIABLE task of finding out what really happened in the Chiasso affair, in which Credit Suisse may have lost over Sw.Frs.250m., falls to the Swiss Federal Banking Commission, itself an arm of the country's Finance Ministry.

It must try to establish exactly how Sw.Frs.250m. of clients' fiduciary funds came to be "misdirected" to Liechtenstein company, why the transactions involved were not spotted sooner, to what extent Swiss banking law may have been contravened and what the net loss will be.

In addition to this, Commission president Dr. Hermann Bodenmann has now shaken an already thoroughly disconcerted Credit Suisse by announcing that the investigations will also take in an inquiry into the fitness for their office of top bank management, if necessary leading to personnel changes among the executives concerned.

The Credit Suisse affair, Switzerland's most serious banking scandal since the war, is at the same time the biggest case the Banking Commission has ever had to deal with. Hitherto, the Commission has tended to lead a life in keeping with its modest staff—until only last year, no more than five officials plus secretarial personnel.

Even after the doubling of the staff in 1976, so that now there are some 15 including secretarial staff, the Commission has had a big job on its hands. It is fundamentally responsible for surveying the adherence by something like 600 banks to the Banking Law of 1971. It also has a section responsible for controlling investment-fund activities in the country. As far as the banks are concerned, this involves the granting—and, in serious cases of malpractice, the withdrawal—of banking concessions, appointing special auditors to check bank accounts, sending observers to banks where clients' and creditors' interests appear threatened and ascertaining whether bank managements are of good reputations and a guarantee for the unobjectionable running of banking business.

Swiss board member—Nello Celio said the creation of a special federal authority to carry out external bank audits had been considered when he was in office but dropped because of the size such an organisation would have had to be and "because the confederation would have borne part of the responsibility in the case of affairs." At last week's annual general meeting of the Swiss National Bank, its president, Dr. Fritz Leutwiler, pointed out that what he called a qualitative improvement in the banking control system had already been carried out. As well as the doubling of staff, the commission was in 1976 put under a director of its own. He said it was now necessary to expand the body in quantitative terms. This presumably means that staff will increase again.

The Banking Commission, like the National Bank and—for obvious enough reasons—the Swiss Bankers' Association, does not agree with those who would now like to see a further revision of the Banking Law. In 1971 this had been revised from the original version from as long ago as 1934. But again like the National Bank and the Bankers' Association, the Commission wants to see the existing laws applied better and more earnestly.

Scandal

Never before has the Commission been faced with anything like a major scandal in connection with a big domestic bank, such banks as got into difficulties generally proved themselves fly-by-nights who surfaced on the crest of a wave like that of economic or monetary boom. It is unlikely that the Commission or its masters had envisaged a crisis of the current dimensions involving a highly organised and highly respected big bank.

Despite this, the powers-that-be had long realised the need for improving banking controls in general. In a magazine interview this week, former Finance Minister—and current Credit Suisse board member—Nello Celio said the creation of a special federal authority to carry out external bank audits had been considered when he was in office but dropped because of the size such an organisation would have had to be and "because the confederation would have borne part of the responsibility in the case of affairs." At last week's annual general meeting of the Swiss National Bank, its president, Dr. Fritz Leutwiler, pointed out that what he called a qualitative improvement in the banking control system had already been carried out. As well as the doubling of staff, the commission was in 1976 put under a director of its own. He said it was now necessary to expand the body in quantitative terms. This presumably means that staff will increase again.

as a whole, and this has always included Credit Suisse, have been very proud of their inspectors. But the Chiasso case indicates, even taking into account the use of separate books in Chiasso, that auditing has not been all it might have been. The external auditing companies who report to the Commission will also have to convince the authorities that they are doing their job thoroughly and not taking too much on trust. The Banking Commission itself has neither the staff nor the desire to go into the accountant business itself.

The conclusions drawn will not affect only Credit Suisse, then, but the whole of Swiss banking. This is particularly the case in the light of statements by the Communist Party's top boss, Finance Minister Georges-Andre Chevillard, that bank control will be tightened. Also, and this came as a surprise to everybody, Dr. Bodenmann has said that the Commission will in future take sharp measures to counter the organisation and the transmission of illegal foreign-exchange exports from other countries via Swiss banks into Switzerland. How this can be done by a 15-man staff, or even a rather larger one, remains to be seen, particularly since this sort of control comes very close to the monetary measures traditionally handled by the National Bank.

Surprise

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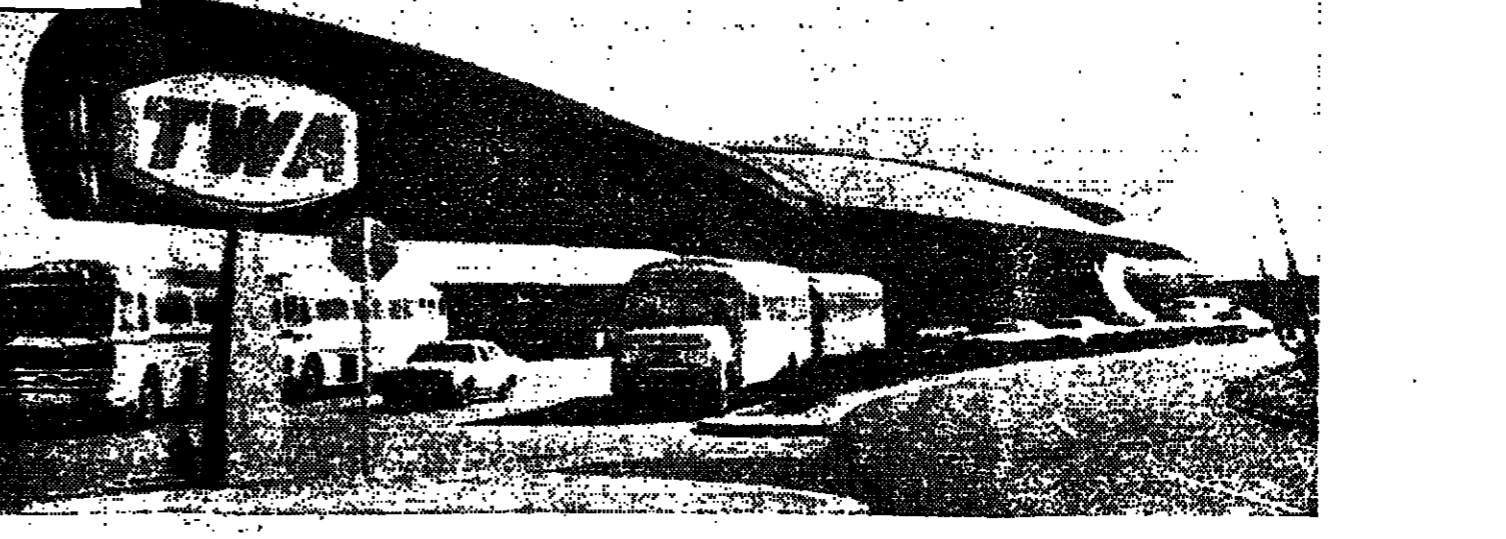
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No.1 across the Atlantic TWA

Swedish unions reject mediation and plan strike

BY JOHN WALKER

STOCKHOLM, May 4.

THE SWEDISH confederation of trade unions (LO) and the office workers' union (PTK), representing together 1.3m. employees, today gave notice of a strike to start on Friday of next week (May 13), following the breakdown of talks with the employers' confederation (SAF) and the mediator's commission.

Both sides rejected proposals by the Government-appointed mediator, who has been trying to find a solution which would be acceptable to unions and management alike. The LO and the PTK are claiming respectively 5.8 and 4.8 per cent pay rises, giving an overall payroll increase between 11 and 13 per cent, which the employers have rejected. The employers have insisted that the new agreement should include changes in sickness benefits to counter absenteeism and adjustments to weekly working hours in line with business conditions. Also, the unions want a three-year agreement, while the SAF is only prepared to accept one year.

The LO and the PTK have said that they propose to call out 10,000 workers in lightning strikes in the retail, wholesaling and domestic air travel, retailing and wholesaling. An overtime ban has already made itself felt in restaurants and shops.

The next move will be for the mediator to get the union and employer representatives back to the conference table before Friday of next week. The employers' union indicated that they would be willing to resume talks. It is generally expected that while talks between the two sides are in progress, strikes and lock-outs are deferred.

UPI adds: The government has cancelled state credit guarantees for a proposed nuclear power station. The move reflects the deep divisions within the ruling three-party coalition over nuclear power. The decision did not rule out continued construction of the plant, but was expected to have that effect.

The ruling meant the state could be liable to pay Kr.750m. (€1m.) in compensation for money and contracts secured for the Oskarshamn 3 plant. Energy Minister Olof Johansson said he had also ordered a review of plans for the Forsmark 3 nuclear reactor, with a view to slowing its proposed construction.

The plants were to have been the eleventh and twelfth nuclear power stations in Sweden, according to a plan approved by parliament before the coalition of the Right and Centre took office eight months ago.

Soviet weapons warning

BY DAVID BUCHAN

BRUSSELS, May 4.

EXAGGERATION of the Soviet naval threat has distracted attention in the West from more important developments, such as Soviet attainment of parity in strategic and tactical nuclear weapons, and superiority in conventional forces and chemical warfare capability. NATO officials went to the summit in London just a week before the NATO summit opens in London on May 10.

The officials told the Press that, while expansion in the Soviet navy was spectacular in some cases, the picture often painted in the West of it was "distorted." U.S. naval building alone had "outpaced" that of the Soviet navy over the past 10 years in every category except missile-powered submarines. Total U.S. tonnage was far greater, though it was admitted to-day that the ability of the U.S. aircraft carrier fleet to survive long in a war was "open to question."

The London summit will not get a detailed report on the larger military situation—that will be left for the Defence Ministers following week in Brussels—but the NATO assessment of the military balance will inevitably colour the discussions between the heads of government who are to review broadly the current state of the alliance.

On the other hand, to-day for the first time NATO officials publicly said that there was now a rough equivalence between the tactical nuclear weapons which the two sides have in central Europe. While NATO has maintained some 7,000 tactical nuclear weapons for the past 10 years, the Soviet bloc's growing stockpile of these weapons (now just over 3,500) gives it parity because of the greater size of their weapons.

NATO can no longer count on better western technology to counter Warsaw Pact numerical superiority in equipment. But NATO officials maintained to-day that NATO's better anti-tank weapons still offset the larger number of Warsaw Pact tanks.

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USSR bans Orlov lawyer

BY OUR FOREIGN STAFF

DETAILED evidence proving beyond reasonable doubt that Professor Yuri Orlov, leader of the group monitoring Soviet implementation of the Helsinki accords, has not violated Soviet law will be published on the eve of the June 15 Belgrade conference if Professor Orlov is not brought to trial by June 1.

Mr. John Macdonald, QC, British lawyer co-ordinating Professor Orlov's defence, said in London yesterday after Professor Orlov signed—were announcing that Soviet authorities had refused his application for a visa. He said he wished to go to Moscow to discuss with Mrs. Orlov the evidence for defence of her husband, who has violated Soviet law.

He said the evidence, based on reports on torture of prisoners, abuse of psychiatric hospitals, the expulsion of Catholic children from schools, and harassment of former political prisoners—which Professor Orlov signed—were based on careful investigation, that he believed them to be true, and that he was prepared to corroborate them, and therefore that Professor Orlov did not violate Soviet law.

AMERICAN NEWS

Argentina ex-President held over factory contract

SR. ALEJANDRO Lanusse, Carlos Rey, and former Defence Minister Rafael Caceres Monie, has been arrested in connection with investigations into a contract for the construction of an aluminium plant in the south of the country.

The sources said that federal judge Sr. Eduardo Marquardt would question the four on alleged irregularities in a contract with the Aluar company for construction of an aluminium plant in the south of the country.

Ex-President Lanusse recently appealed to President Jorge Rafael Videla to trace his former Press Secretary Sr. Edgardo Sajon, who went missing, presumed kidnapped, more than a month ago.

General Lanusse said he believed Sr. Sajon had been detained in connection with the so-called Graiver scandal, named after Argentine financier David Graiver who is alleged to have handled multi-million dollar funds for Left-wing Montonero guerrillas before his reported death last year.

It was the second time General Lanusse had been detained since the Army took power in March, 1976. He was held at any Army camp for five days last year for intruding Army discipline, after he came to the defence of a former Education Minister accused by sections of the armed forces of having fostered Marxist subversion at an Argentine university.

US to admit Hanoi to UN

PARIS, May 4. The United States has agreed to the admission of Vietnam to the United Nations and to the early establishment of diplomatic relations with the Hanoi Communist regime.

Vietnamese Deputy Foreign Minister Phan Hien announced today.

The announcement followed two days of diplomatic talks here between the two countries.

Mr. Hien said that during the conference: "The United States pledged that his Government will speed up the search for U.S. servicemen still missing in Vietnam."

Mr. Hien said that during the conference: "The United States has twice vetoed Vietnam's admission to the United Nations."

He said that during the conference: "The United States is responsible for healing the wounds of war and helping to rebuild Vietnam."

"We have also demanded an immediate termination of the U.S. trade embargo," Mr. Hien said. But he did not claim that Mr. Holbrooke had made any commitments on either subject.

Speaking in Vietnamese through French and English interpreters, Mr. Hien told a Vietnamese embassy news conference: "The United States delegation said the United States will not oppose Vietnam's admission to the United Nations. In addition, both sides have agreed to achieve a speedy normalisation of relations."

The U.S. has twice vetoed Vietnam's admission to the United Nations.

He said that during the conference: "The United States is responsible for healing the wounds of war and helping to rebuild Vietnam."

Canadians maintain firm stand on N-arms

By Our Own Correspondent

OTTAWA, May 4. THAT CANADA stands against the proliferation of nuclear weapons may be the most uncompromising of any delegation at this week-end's London summit conference has been made clear by Mr. Pierre Trudeau, the Canadian Prime Minister.

Mr. Trudeau said in an interview here with British journalists that the rise of oil prices had put industrialised nations under immense pressure to exploit nuclear energy, but with the consequent danger that an increasing number might own nuclear weapons.

"That," Mr. Trudeau said, "is the concern that we shall be bringing to the summit."

In December Canada suspended deliveries of uranium to the EEC and to Japan, insisting that they would be resumed only if full controls were applied against the danger that they would be diverted to military purposes.

The controls that the Canadians insist on are those of the International Atomic Energy Authority (IAEA), and Canada wants them to cover the whole nuclear ground, not merely what Canada delivers in the form of uranium or reactors.

MR. TRUDEAU AND QUEBEC

Keeping away from the clinch

BY WOLF LUTKENS IN OTTAWA

MR. PIERRE Trudeau, the Canadian Prime Minister, says that he intends to bring the Parti Québécois (PQ) Government in Quebec to the negotiating table and that if it wants a new distribution of powers within Canada, "that's fine."

"But I'm not discussing with anyone who wants to break up Canada," he told a group of British reporters in Ottawa. That just about sums up the response of the Canadian Government to the challenge posed by the election last November 15, of a separatist government in Quebec, with the support of about 40 per cent of the province's electorate.

Mr. Trudeau evidently considers a great deal to be negotiable—but not Canadian unity. Nor is he prepared to contemplate a special status for Quebec within the confederation if it goes beyond administrative matters or, say, the use of the established Quebec code of civil law. Granting Quebec considerably greater powers than the other provinces would be the direct road to separatism, Mr. Trudeau said.

The battle between him and the premier of Quebec, Mr. René Lévesque, has only just been joined: both sides are still sparing through the Quebec government has already thrown one heavy punch with the tabling of a Bill to make French the official language of the province. The Bill is tough, compelling business to use French and depriving all those who do not have at least one parent schooled in English in Quebec of the right to attend English-language schools there.

Strictly enforced, the measure could drive banks and other trans-Canadian and transnational corporations such as the Royal Bank, Sun Life Assurance of Canada, or Bell Canada, the telephone company, to move their headquarters from Montreal.

It is typical of the manoeuvring now going on that PQ ministers have held out the hope of some modifications, at least where the use of French in head offices is concerned. That should not however be read as a sign that they are ready to give way on the central nationalist issue, or the

question of the predominance of French in the province.

The English business establishment has reacted nervously, though figures purporting to show that the emigration of English-speaking companies from Montreal is speeding up must be treated with suspicion: a number of those listed appear to have been shell companies only.

The Federal parliament will be held in Quebec. Four of the eight constituencies had been held by Liberals. The PQ will not be running, though the Liberals believe that in order to split them it may urge its supporters to vote for the Conservatives.

Mr. Trudeau did say that "if we should lose some of these seats, my leadership will be rather adversely affected."

Popularity polls taken in Quebec recently show that about two-thirds of the voters approve personally both of Mr. Trudeau and of Mr. Lévesque, with Mr. Trudeau more highly regarded. It is a fair reflection of a confused situation—though also a response to the tone of intolerance which has been rising.

What is clear is that in Canada as a whole Mr. Trudeau and his Federal Liberals have recovered from last year's slump in popular esteem. That is partly a response to the failure of Joe Clark, the leader of the Conservative Party to capture the idea of a popular mandate. But more than that it is a rallying around at a time of danger to national unity.

Both sides then are at the moment being careful not to slam doors. Since the main Federal argument has always been that an independent Quebec would be poorer than a Quebec within confederation, the PQ government has been stressing that it wants to remain in economic association with Canada once it has achieved independence. It reasons that not only Quebec but the rest of Canada, and in particular the manufacturing industries of Ontario, would benefit.

The Ontario premier, Mr. William Davis, has firmly rejected the idea. He would have his case on figures showing a 30 per cent of the output of Quebec manufacturing industries is sold in the rest of Canada, whereas only 11 per cent of Ontario manufactures go to Quebec. The fact remains that even 11 per cent is a lot to put at risk.

Some light may be shed on the progress of the battle between Montreal and Ottawa on May 24 when five by-elections to the Federal parliament will be held in Quebec. Four of the eight constituencies had been held by Liberals. The PQ will not be running, though the Liberals believe that in order to split them it may urge its supporters to vote for the Conservatives.

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Gas export price may rise

OTTAWA, May 4. THE NATIONAL Energy Board is recommending that the Canadian Government increase the export price for natural gas sold to the U.S. by 16 per cent, effective this autumn, according to Government officials.

If the recommendation, due to be considered by the cabinet later this month, is accepted, the average border price for exported natural gas would increase to \$2.25 per 1,000 cubic feet.

The current price for all but one export contract is at an average \$1.84 per 1,000 cubic feet. Transportation charges from the Canadian border are the extra.

Since the Canadian Government normally provides a minimum 90 days for U.S. regulatory authorities to adjust to any export changes, it is expected that the increase could come into effect on September 1.

With Canadian gas exports running at 1.7 billion cubic feet a year, the increase could add \$300m to the annual cost of Canadian gas in the U.S.

U.S. Government sources said that, while there have been consultations on the price increase recommendation, the proposed \$2.25 price would be reasonable. They have noted that the average intrastate natural gas selling price in the U.S. is \$2.25.

AP-DJ

Fed action may herald tighter credit

BY STEWART FLEMING • NEW YORK, May 4. MONEY MARKET analysts in New York are still uncertain about the extent to which the Federal Reserve Board has tightened credit following last week's upward movement in the key Federal funds interest rate—the market rate most closely controlled by the Central Bank.

There is, however, widespread agreement that some firming of Fed policy is underway in an effort to slow the rapid growth in the money supply during April and many analysts are predicting that within the next two weeks commercial bank prime rates could begin to move up.

The Fed chairman, Paul Volcker, said that the Fed's move to raise the rate to 11 per cent was a signal that the Fed had tightened its monetary policy severely by a 1 percentage point from its previous target range for Fed funds of 10 to 11 per cent.

This week, however, the Fed's move has eased back and analysts are coming to the view that the target is around 10 per cent, or just above.

Mr. Volcker is pointing out that short-term interest rates are still low for this stage in a cyclical business upswing which is two years old, and therefore the upward movement in interest rates is not a sign of a "normal" two per cent annual increase in the money supply.

Analysts point out that during April the M1 measure of money supply (cash plus current accounts) was increasing at an annual rate of about 15 per cent—well above the 10 per cent target. Unusually, this tightened credit following last week's upward movement in the key Federal funds interest rate—the market rate most closely controlled by the Central Bank.

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Tax cut bill approved

BY JUREK MARTIN, U.S. EDITOR WASHINGTON, May 4. A CONFERENCE committee of both Houses of Congress last night agreed on a tax cut bill which does not include a raising of the business investment tax credit, which President Jimmy Carter first advocated and later opposed.

The Senate had earlier passed a Bill which increased the credit from 10 to 15 per cent but in the conference committee, convened to iron out the differences in the Senate and House legislation, Congressman Al Ullman, chairman of the House Ways and Means Committee, wanted the House would not accept it.

There remain one or two aspects of the conference bill that the Administration has been arguing about: a one-year \$20m. drilling credit (which is a feature of the Carter energy package), and special jobs tax credit for companies with more than 25 employees in the workforce.

Carter warned on Brown

BY OUR OWN CORRESPONDENT WASHINGTON, May 4. GOVERNOR Jerry Brown of California is probably the biggest single threat to President Jimmy Carter's re-election in 1980, according to a memorandum drawn up before Christmas by one of Mr. Carter's principal political advisers.

Mr. Frank Caddell, the brilliant young politician, urged the President to forge a new national constituency with the maximum use of symbolic devices, such as his fireside TV chats and town meetings, several of which Mr. Carter has subsequently adopted.

However, the memorandum also recommended that the President should concentrate more on style than substance in keeping an eye on the real threat to a second term: more inside the Democratic Party than the Republican—from such establishment figures as Senator Kennedy, Senator McGovern, Congressman Udall and the "young turks" inside Congress (Senators Clark, Biden, Hart) as well as the new West Virginia Governor, Jay Rockefeller.

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by 10 1550

OVERSEAS NEWS

Australian parties 'funded by CIA'

By Kenneth Randall
CANNBERRA, May 4. R. VICTOR MARCHETTI, the former U.S. Central Intelligence Agency (CIA) officer, claimed today that the agency had funded the Liberal and National country parties in Australia for about 10 years...

Ethiopia planning to lay waste Eritrea, claim guerillas

THE ETHIOPIAN Liberation Front (ELF) claimed in a statement yesterday that Ethiopia was preparing to launch a campaign of "extermination" against Eritrea. An important component of the campaign would be a march of 200,000 armed peasants into the province whose aim would be to destroy "everything that moves—people, animals, plants—on the soil of Eritrea."

Uganda 'to execute Tanzanian invaders'

Uganda announced today that it will execute 37 Tanzanians and Ugandan exiles who it says were an "advance party" for an invasion from Tanzania. Reuter reports from Nairobi, Kampala said members of the group, captured on Monday night, would go before a firing squad...

AFTER THE GUERRILLA RAID IN MAURITANIA

The unwinnable war

BY SUSAN MORGAN, RECENTLY IN MAURITANIA

MORE than half the 400 French technicians at the Mauritanian iron ore mining centre of Zouerate, which was attacked by Polisario guerillas on Sunday, have accepted the Mauritanian Mining Company's offer of evacuation. In addition, about 450 French women and children are being flown out...



The raid, the first big attack on the mining town and the first raid on Mauritania in which foreign nationals have been killed, is a dramatic indication of the guerillas' power to disrupt the Mauritanian economy...

Thailand campaign
Thai authorities are moving the residents of at least 50 villages in six Communist-infested provinces to begin a programme identical to establishment of "free-fire zones" in the Indo-China war...

Uranium found
Uranium has been found in several places in north-east Thailand, but the amounts had yet to be determined. Reuter reports from Bangkok yesterday that Mr. Sa-Ngob Keapitsoon, chief of the Mining Resources Department's mineral economic division, said the deposits found in Khonkaen province, 230 miles from Bangkok, were believed to be substantial.

French row with Algeria
PARIS, May 4. THE ATTACK last Sunday by Polisario guerillas on the Mauritanian mining town of Zouerate, in which a French doctor and his wife were killed and six other French nationals were kidnapped, has provoked a sudden deterioration in Franco-Algerian relations.

Following a statement by the French Foreign Minister, M. Louis de Guiringaud, that the attack had been carried out by "forces coming from a neighbouring country"—an obvious reference to Algeria, where many of the Polisario troops are trained—the French Ambassador in Algiers was called to the Algerian Foreign Ministry yesterday for an explanation.

According to official sources in the Algerian capital, M. de Guiringaud's accusations are considered to be "very grave" by the Algerian government and it must be assumed that a formal protest has been transmitted to Paris. The Algerians do not deny, however, that they support the Polisario Liberation Front in its fight for the self-determination of the Saharawi people, in accordance with United Nations resolutions on the subject.

Perez sees no early end to OPEC price split

Stockholm which, he implied, might not produce a ruling on oil prices. President Perez also suggested that there should be an international agreement to stop the escalation of raw material prices within the context of the forthcoming North-South dialogue. He praised President Carter's "recent statements on energy. 'We are sure an agreement with the industrial countries is necessary,' he said. 'This will not only touch the oil price, but also other raw materials, to create an equilibrium between the exports of the developing countries and of the industrialised countries.'

Burma devaluation

The Burmese Kyat currency has been devalued by about 8 per cent. AP-DP reports from Rangoon. The official dollar exchange rate, which has been pegged to special drawing rights of the International Monetary Fund, has been reduced from 6.7 Kyats to a dollar to 7.3. The Kyat was last devalued, by about 30 per cent, in January, 1975.

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China faces problems in grain province

PEKING, May 4. CHINESE officials in the vast, rain-growing province of Szechuan have issued urgent instructions to overcome what are described as "very great difficulties" threatening this year's crops. A radio station in the provincial capital of Chengtu ordered available manpower to join the agricultural labour force. Those who labour more get more; those who do not labour at all not eat, it said.

Israeli curfew in Nablus

ISRAELI occupation troops today enforced a curfew in the Casbah quarter of Nablus and the nearby village of Qabatiyeh, where two Arabs were killed yesterday in clashes over a prospective Jewish settlement. No injuries were reported in today's disturbances, though border police units used tear gas and fired warning shots to disperse teenage demonstrators in Ramallah and Qalandia, outside Jerusalem. In Jenin, a few miles from the settlement site chosen by the militant Gush Emunim movement at Tel Dotan, 60 Arab youths were arrested to forestall further street protests.

Third World talks plan

BY REGINALD DALE
NEXT MONTH'S London Commonwealth summit will consider a proposal to establish a new permanent secretariat to help dialogue, a secretariat could facilitate the use of the United Nations as a forum for negotiation rather than deliberation, the group says. Copies of the report, published yesterday, can be obtained from the Information Division, the last Commonwealth Heads of Government meeting in 1975, Marlborough House, London, to report to this year's conference.

S. Africa gold stock sags after 3m. oz. swap

JOHANNESBURG, May 4. FIGURES released by the South African Reserve Bank today revealed that following last week's gold "swap" official gold holdings are now at their lowest level in ten years. On the basis of last week's foreign reserve figures, it is calculated that the swap involved about 3m. ozs of gold, compared to the 5m. ozs negotiated in the first swap in March, 1976. Assuming that the swap was concluded at a price of \$130 an ounce (the governor of the Reserve Bank has mentioned a deal at "market-related prices"), the amount involved would be about R380m. (£286m.). Since the Reserve Bank has taken the opportunity to repay substantial foreign loans from the proceeds of the swap, its gross gold and foreign exchange reserves rose last week by only R94.4m. to R765.2m. The gold content of the reserves fell by R28m. to R287m. In volume terms, the drop was 82.8 tonnes to 302.1 tonnes.

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WORLD TRADE NEWS

Citroen to launch 'export' car

BY DAVID CURRY PARIS, May 4. THE FRENCH motor company no more than two a day using of the decade to be marketed by Citroen—part of the Peugeot essential parts like chassis, motor Citroen outside Romania. The group is to launch a car in the European mass-production lines, and Turkey are regarded as third world markets and intended to be produced locally around 50 per cent local content. The intention is to compete directly with Japanese models listing in these markets, the logic being that by assembling locally Japanese products can be matched in price while Europeans are likely to make best use of their expertise by working with a local labour force. This move follows that which Citroen is currently negotiating for a second assembly plant in Vietnam at Hanoi. Renault is also interested in assembling locally in Vietnam, this time of its Berlinget range of commercial vehicles, and for certain agricultural equipment. The company is in the process of setting up in Romania a 50000 unit worth of Hymac 37CC years ago in its design for a plant whose first car will be exported to Asia. Mr. Michael Maude, Hymac's export sales director said "the Ford model, though the company says it will be "rustic". It is intended to achieve production with a rate of output of around 130,000 a year by the end of the Powell Duffryn Group.

Bell Lines orders from Japan again

By Roy Rogers, Shipping Correspondent. BELL LINES, the Dublin-based short sea container specialist, has ordered eight small container ships from the South Japanese Kagoshima shipyard. Last July, Bell Lines ordered four 1,500 grt container ships with six options. These options have now been taken up and a further order placed for 12 vessels to £16.5m. At the time of the initial orders Mr. George Holloway, managing director of Bell, said "the Japanese yards are quoted for the order of the first four vessels two of which are already in operation. All eight vessels are due for delivery next year and most will be under the Irish or British flag, a new policy for the company which has hitherto chartered its vessels from German ship-owners. Each capable of carrying 120 20-foot containers, the vessels will be used on the route between the U.K., Ireland and the Continent. Although most of the company's operations are handled from London, Bell remains officially an Irish company. Government pressure to order from U.K. yards because it is technically an Irish company.

Sharp decline in British exports to China

BY COLINA MacDOUGALL. SIR JOHN KESWICK, vice-president of the Sino-British Trade Council, is this week cautiously optimistic about prospects for British trade with China, but contrary to previous expectations he does not think that British exports would rise much before the autumn. This is Sir John's conclusion following his recent five-day visit to China which was intended to prepare the way for a 16-man visit by the Sino-British Trade Council in September this year. British exports to China have declined steeply in the last nine months. Figures for the first quarter of 1977, at £11.9m, were almost half those for the same period last year, which reached £21.2m. Chinese exports to Britain and indeed to other important trading partners, are rising steadily, with British first quarter figures reaching £25.6m, compared to £19.8m for last year. This quarter's British export figures were however, Mr. Keswick stressed that the Japanese yen is "extremely competitive" and that delivery times are "very good." A further factor had been the "high specification and excellent quality of workmanship" of the first four vessels two of which are already in operation. However the aircraft deliveries were made under an old contract and once that is completed there are few new items to replace them. The cargo capacity of the aircraft has dropped most are man-made fibres, iron and steel and machinery. The Chinese economy and last year's political upheavals are partly to blame for Peking's reluctance to buy at present. Last year's earthquake, the campaign by the "gang of four" against foreign imports and China's shortage of foreign exchange are all factors. The present sluggishness of Chinese imports reflects the inability of the Chinese to make contracts in the second half of last year, the period of the worst disturbances. Britain is not alone in its China trade problems. Japan saw a 27 per cent fall in its exports to China last year while U.S. export figures more than halved, to \$132m. Although West Germany produced a huge increase in its export trade (which rose to \$623m from \$523m in the previous year) the amounts have now begun to drop markedly. Last November and December export figures showing a substantial fall below the first half-year averages. French exports to China followed a very similar pattern, showing a successful year overall in 1976 but a sudden slide downwards towards the end. The conclusion is that the Chinese were ordering very little from anyone towards the end of last year. Sir John Keswick did not begin buying again before the autumn, suggests that the economic system in China is still somewhat confused as to what is needed and cannot yet be taken. The firm of Brian Colquhoun and Partners called a press conference in London to look closely at building contracts with Middle Eastern countries—by a firm which says it could be prosecuted for manslaughter under Iranian law. The firm of Brian Colquhoun and Partners called a press conference in London to look closely at building contracts with Middle Eastern countries—by a firm which says it could be prosecuted for manslaughter under Iranian law. The firm of Brian Colquhoun and Partners called a press conference in London to look closely at building contracts with Middle Eastern countries—by a firm which says it could be prosecuted for manslaughter under Iranian law.

Iranian contracts warning

Financial Times Reporter. BRITISH CONSULTING engineers were warned yesterday to look closely at building contracts with Middle Eastern countries—by a firm which says it could be prosecuted for manslaughter under Iranian law. The firm of Brian Colquhoun and Partners called a press conference in London to look closely at building contracts with Middle Eastern countries—by a firm which says it could be prosecuted for manslaughter under Iranian law. The firm of Brian Colquhoun and Partners called a press conference in London to look closely at building contracts with Middle Eastern countries—by a firm which says it could be prosecuted for manslaughter under Iranian law.

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Table with columns for distinctive numbers and amounts. Includes sub-sections for 'COUPON FREQUENTLY OUTSTANDING' and 'COUPON FREQUENTLY OUTSTANDING'.

U.K. fund clears EEC hurdle

Financial Times Reporter. THE EEC Commission is expected to approve Britain's plan for a fund designed to assist UK shipping yards to win much needed orders in the face of fierce competition from the Japanese. Talks in Brussels this week between Mr. Gerard Kautman, Minister for Industry, and Mr. Raymond Vong, EEC Commissioner responsible for competition policy, appear to have cleared the way for EEC endorsement of the scheme although there may have to be some slight modifications first. The nature of the required modifications has yet to be revealed but they are understood to be largely procedural.

HK buying mission

FINANCIAL TIMES REPORTER. A BUYING mission organised by the Hong Kong General Chamber of Commerce, with assistance from the Hong Kong Shipowners' Association and the British Trade Commission in Hong Kong, arrives in London next week with millions of pounds to spend on British Goods. It will be led by Mr. David Newbigging, chairman of the Chamber of Commerce, and Mr. Daniel Koo, managing director of Shui Hing, one of Hong Kong's biggest department stores. The mission is divided into two groups. One, led by Mr. Newbigging and consisting of senior representatives of the Hong Kong Shipowners' Association, will concentrate on negotiating a fresh approach to the purchase of British-built ships and other capital equipment. The second group, made up of senior executives of leading Hong Kong department stores, will concentrate on negotiating a fresh approach to the purchase of British-built ships and other capital equipment. The mission is divided into two groups. One, led by Mr. Newbigging and consisting of senior representatives of the Hong Kong Shipowners' Association, will concentrate on negotiating a fresh approach to the purchase of British-built ships and other capital equipment. The second group, made up of senior executives of leading Hong Kong department stores, will concentrate on negotiating a fresh approach to the purchase of British-built ships and other capital equipment.

\$160m. U.S. plants for Ireland

NEW YORK, May 4. SIX U.S. companies have announced plans to establish new plants in Ireland while another has announced expansion plans for an existing facility there. Altogether the new projects involve investments of around \$160m, and are expected to provide 5,900 new jobs. General Food said it is setting up a \$17m. contract for a plant in Dublin to produce food products for export to the European market. A new subsidiary, Krema, has been formed for the project, which will begin production in November. Arco Medical Products, a subsidiary of Adams-Richard, said it had concluded negotiations with the Industrial Development Authority of Ireland to set up a plant at Bray, near Dublin, for the manufacture of its cardiac pacemakers for export mainly to Europe. The proposed facility involves an investment of about \$2m. Production will be undertaken in stages with the plant expected to be in full production by 1978. Travelon Laboratories is planning an expansion of its Castlebar plant and the opening of two other plants in West Ireland. The Castlebar plant produces a wide range of medical products almost entirely for export to Europe. The expansion programme provides for the construction of a new plant in Tuam and the occupancy of an existing factory in Swinford. Last week Fieldcrest Mills of North Carolina announced plans for a \$45m. joint venture project to set up a plant producing terry travelling mainly for the European market at Kilkenny. Its partners will be the Bank of Ireland and P. M. Carroll. The name of the seventh U.S. company planning to invest in the Irish Republic has yet to be announced. At the end of last year 200 U.S. companies had interface devices as well as a range of accessories. Baxter Travelon Laboratories said its Irish subsidiary, Agencies

Dutch-U.S. dredging venture

By Michael Van Or. AMSTERDAM, May 4. BOS KALIS Westminster, the Dutch-based dredging and construction company, is to enter the U.S. dredging market through a joint venture with the U.S. Zapata Corporation. It was announced today. The new company will be set up to design, build and operate trailing hopper suction dredgers under the U.S. flag. It will shortly complete the design of the first such self-propelled vessel, after which "exclusively U.S. companies" will be invited to tender for orders.

New ground for RSV Nuclear

By Our Own Correspondent. AMSTERDAM, May 4. ROTTERDAM-NUCLEAR, the nuclear vessel construction subsidiary of RSV, the royal large Dutch shipbuilding and engineering company has received its first order outside the nuclear sector. It is to build a 153-m. vessel for a platform for the Dutch Government stepped in to take a 50 per cent. The company, which was threatened with closure after the lack of orders in the nuclear construction market, was rescued when the Dutch Government stepped in to take a 50 per cent.

Textile exports

Financial Times Reporter. EXPORTERS of British textiles and clothing set new records in March, sending abroad goods valued at more than £1 billion. Figures issued by the Department of Trade showed that shipments of textiles earned £10m. in March, nearly £1m. more than the previous peak in November. Exports of clothing for the first time topped £50m. in a single month.

Buses for Barbados

BRIDGETOWN, May 4. THE BARBADOS Government has placed an order worth £1m. with Leyland International for the purchase of 60 Viking buses. It has been announced here. The first 40 single-deck buses will be shipped in June. The order is part of the Government modernisation and expansion programme for the publicly-owned transport board.

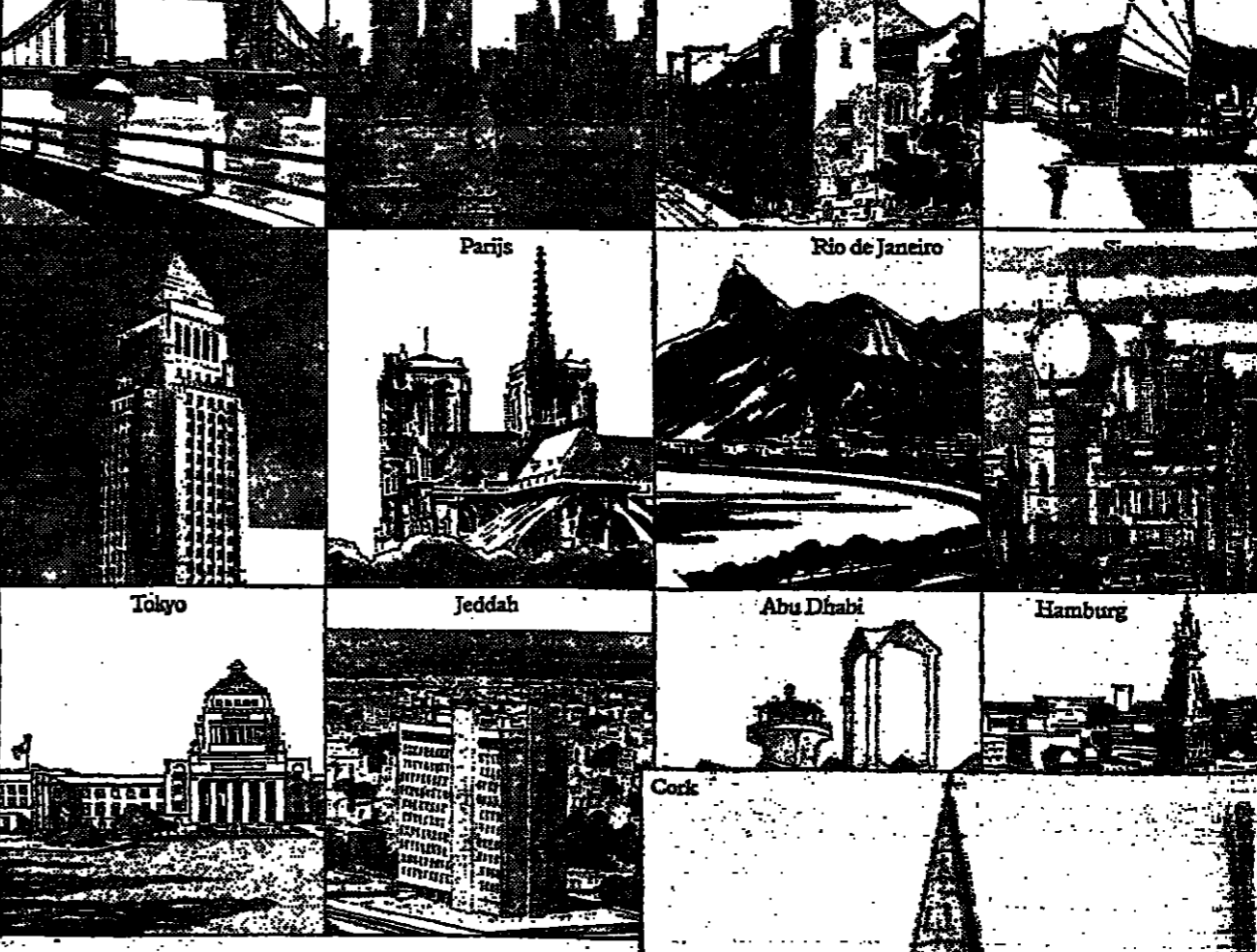
Hawker's Nigerian base

A new permanent base has been set up in Nigeria by Hawker Siddeley Power. Engineering which is already undertaking projects worth over £15m. in Nigeria including an £11m. contract to equip a new power station for the Chad Basin Development Authority's irrigation project in the north eastern state of Borno.

Anti-dumping probe into cosmetic bases

The Department of Trade is to conduct an anti-dumping investigation into imports of liquid absorption base lanoline derivatives from the U.S. Liquid absorption base lanoline derivatives are basic materials used in the manufacture of cosmetics. The investigation follows an application under the Import Duties (Dumping and Subsidies) Act 1969.

We have been "at home" for a long time in many places around the world.



And now also in Cork.

Our new ABN Bank Ireland Ltd. office will be opened officially on May 5th, 1977. With the service combination ABN offers you in other places - competent people in key positions, backed by a thorough international organisation. That's how we have been working for a hundred and fifty years. And we will continue to do so in all 40 countries where we are. Now also in Ireland.

ABN Bank logo and contact information: Cork 53, South Mail Telephone (021) 54366, Ireland. Amsterdam, Vijzelstraat 32, The Netherlands.

The Debentures specified above are to be redeemed for the said Sinking Fund at the option of the Holder (A) at the W.G.C. Corporate Bonds Services Department of Citibank, N.A., Trustee, under the Indenture referred to above, 111 Wall Street, 34th Floor, New York, New York 10015 or (B) subject to any laws or regulations applicable thereto, at the main offices of Citibank, N.A. in Amsterdam, Frankfurt (Main), Geneva, London (Citibank House), Paris, Tokyo, and Citibank (Belgium) S.A. and the main office of Banque Generale du Luxembourg S.A. in Luxembourg, the Company's Paying Agents. Payment at the offices referred to in (b) above will be made by check drawn on, or transfer to a U.S. dollar account maintained by the Holder with a bank in The City of New York. On the Redemption Date such Debentures shall become due and payable at 100% of the principal amount thereof plus accrued interest on said principal amount to such date. On and after such date, interest on the said Debentures will cease to accrue. The Debentures specified above should be presented and surrendered at the offices set forth in the preceding paragraph on the said date together with all interest coupons maturing subsequent to the Redemption Date. Coupons due June 1, 1977 should be detached and presented for payment in the usual manner. For HAMERSLEY IRON FINANCE N.V. By CITIBANK, N.A., Trustee. April 28, 1977

HOME NEWS

Ferrous scrap industry may lay off workers

FINANCIAL TIMES REPORTER

A WARNING that lay-offs could be imminent in Britain's ferrous scrap industry...

He said that the Government could ease the serious recession affecting the industry by relaxing export controls...

Merchants' stocks had now reached an all-time high, approaching 1m tonnes...

The current trend is very serious and cannot be allowed to continue, he said...

Rise in house prices less than 2%

BY MICHAEL CASSELL BUILDING CORRESPONDENT

HOUSE PRICES are still rising slowly, according to the latest survey by the Royal Institution of Chartered Surveyors...

The trend was also confirmed yesterday by the Woolwich Building Society...

According to the RICS, the average price increase for all types of homes in the six months to the end of February was less than 2 per cent...

Provisional first quarter figures show that ferrous scrap used in steel-making fell from 13.1m tonnes in October-December 1976 to 12.8m tonnes in the first three months of this year...

On Monday a federation delegation met Mr. Leslie Huckfield, Under-Secretary for Industry, to press for a further relaxation of export controls on ferrous scrap to countries outside the EEC...

A major adjustment to the export controls was made at the end of last year, bringing exports to "third countries" in the period from January to March to 108,000 tonnes...

These changes have been insufficient to offset the large reduction in home demand and most processing machinery is now running below its efficient capacity...

Builders charge for vandalism

BUILDERS IN Nottingham are charging an extra 3 to 10 per cent on top of their bills to cover the cost of vandalism...

Mr. Peter Varley, secretary of the Nottingham branch of the National Association of Building Trades Employers, said yesterday that vandalism to sites results in lost time and extra cost to the builders...

APPOINTMENTS

G. Hearne to join Courtaulds Board

Mr. G. J. Hearne is to join the Board of COURTAULDS as an executive director from July 1. He will be responsible for finance and administration...

Concrete has been formed into a holding company and the structural precast concrete business of the group is now controlled by BISON CONCRETE...

Mr. J. E. Steele, deputy chairman of Swan Hunter Shipbuilders, has also been appointed chief executive. Dr. P. A. Milne continues as managing director...

Mr. Derek Prescott is to be appointed chief executive of the PENTOS ENGINEERING GROUP. He will be succeeded as chief executive of the Pentos Building and Construction Group by Mr. Jim Clark...

IT'S THE SLOWEST CAR WE MAKE.

The Lancia Beta 1300 may be the slowest car we make, but its 100mph top speed and 0-60 acceleration time of 13.5 seconds is sufficient to put it well ahead of most other cars in its class.

In terms of value for money however, like the rest of our range, the Beta 1300 is in a class of its own.

It costs just £3,082.95* Its twin overhead-cam 1297cc engine can give you upwards of 30 miles per gallon.

It seats five adults in luxury with head rests on the front seats, cloth upholstery and fitted carpeting. And it comes properly equipped - rev counter, electric clock, cigar lighter, two-speed wipers and electric screen wash, heated rear window and reclining seats.

It has a 5-speed gearbox, all-round independent suspension and an 18 cubic foot boot, with an interior light.

It is packed with safety features, like inertia reel seatbelts. Dual circuit servo-assisted disc brakes. Radial tyres. And four halogen headlamps, reversing and hazard warning lights.

The body is built around a really tough rigid safety cage to protect the occupants, with front and rear sections designed to cushion accident impact.



The Beta Saloon Range: Beta 1300 - £3,082.95 (as illustrated). Beta 1600 - £3,371.94. Beta 2000 - £3,598.92. Beta 2000 ES - £4,045.52.

To protect your investment, there is underbody sealing, interbody cavity injection and a full 12 month warranty.

No other 1300 gives you quite so much for your money.

No wonder our slowest Lancia is going so fast.



The most Italian car.

Lancia (England) Limited, Alporton, Middlesex HA0 1HE. Tel: 01-998 2992. *Prices include VAT and car tax, inertia reel seatbelts and delivery charges (UK mainland), but exclude number plates.

Advertisement for 'Doing Business in the United States' seminar, featuring text about legal, financial and practical aspects, dates (May 16-18, 1977), and contact information for the World Trade Institute.

Advertisement for Lancia cars, titled 'WHERE TO SEE THE LANCIA BETA RANGE'. It lists various dealerships across the UK, including locations like Alnwick, Ashford, Aylesbury, Basingstoke, Bedford, Bexhill-on-Sea, Bingley, Birmingham, Bournemouth, Bradford, Bolton, Bournemouth, Bristol, Bromley, Brough, Canterbury, Carmarthen, Caterham, Cheltenham, Chester, Chichester, Cleethorpe, Colchester, Conisburgh, Derby, Doncaster, Eastbourne, Epsom, Exmouth, Falkstone, Forest Row, Gillingham, Guildford, Harrogate, Hereford, Huddersfield, Hull, Ipswich, Kettering, Kidlington, Leeds, Leicester, Lincoln, Liverpool, London, Luton, Manchester, Mansfield, Newcastle-upon-Tyne, Northampton, Norwich, Nottingham, Oxford, Peterborough, Plymouth, Portsmouth, Reading, Southampton, St. Anne-on-Sea, St. Leonards-on-Sea, Stevenage, Stockport, Stoke-on-Trent, Stratford-on-Avon, Taunton, Telford, Thurston, Truro, Tunbridge Wells, Walsley, Wallingford, Warwick, Weybridge, Wilmshurst, Windsor, Worcester, Wroughton, Aberdeen, Ayr, Edinburgh, Glasgow, Isle of Man, Jersey, Plymouth, Swansea, and Wrexham.

Cheap bus fares lead to loss of revenue survey finds

By IAN HARGREAVES, TRANSPORT CORRESPONDENT

CUTTING BUS FARES in an attempt to stimulate traffic invariably leads to a net loss of revenue...

These findings will come as a depressing reading to the transport trade unions which have been leading the lobby for a general attempt either to cut fares or at least keep them stable in order to stem the 3.5 per cent annual fall in the number of people travelling by bus.

There may be limited scope for further experiments. It suggests these have most chance of success in areas where a large actual reduction can be offered on a frequent longer distance service...

Stagnation, where a flat fare experiment increased passenger numbers by 182 per cent. But the report says this increase was partly due to a greatly improved service.

Relaxing of U.S. nuclear policy expected

By David Fishlock, Science Editor

SALZBURG, May 4. THE BRITISH Government is confident that the U.S. will eventually relax the nuclear anti-proliferation policy...

Treasury reshuffle of top jobs completed

By PETER RIDDELL, ECONOMICS CORRESPONDENT

THE MAJOR reshuffle at the top of the Treasury—involving changes in four out of the top five Civil Service posts—has been completed.

Mr. Lawrence Airey has already taken over responsibility for industrial and domestic economic policy from Mr. Alan Lord...

He is regarded as having the advantages of being able to work within the Government machine with a long career as an official economist...

Operating profit for Scottish Transport

By Ian Hargreaves, Transport Correspondent

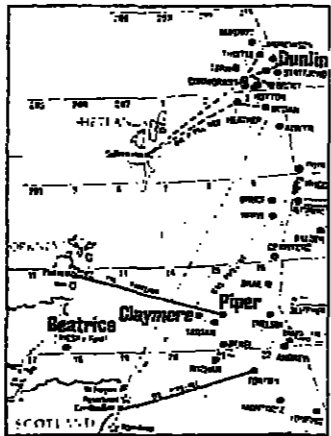
THE STATE-OWNED Scottish Transport Group, which has bus, shipping and haulage interests, returned to operating profit last year after two years of deficit...

Three North Sea groups see big boost in oil production

By RAY DAFTER, ENERGY CORRESPONDENT

NORTH SEA oil production is to receive a triple boost as a result of new development plans for three offshore fields.

The Shell/Eso group has upgraded its estimates of peak production from the Dunbar Field to 150,000 b/d...



In Hammer also confirmed that the plan for building a refinery on Cayley Island was suspended in 1975 pending a reappraisal of the product market.

Firemen begin work-to-rule

MORE THAN 2,000 London firemen, who are members of the Fire Brigades Union, started a work-to-rule protest yesterday...

Cuts 'not needed'

Emergency cuts in social services are not needed, say the Labour Party and the Association of Metropolitan Authorities yesterday.

Energy claim

Britain could be getting 8 per cent of its energy from renewable sources, such as waves and the sun, according to Mr. Alex Eadie, Minister of State for Energy.

Price limit

The Government is to introduce maximum price limits on butter on Monday to ensure that the consumer gets full benefit of the EEC subsidy.

Lecture tapes

Eight lectures, using cassette tapes and slides, on the problems of retirement have been prepared by the British Life Assurance Trust for health education in association with the Pre-retirement Association.

£240m. in aid

Industry Act and offered about £240m. in aid for projects in the north of England...

Clean air costs

Control of an pollution by industry during 1975 was hit by the economic recession, according to a report published yesterday by the Air Pollution Council.

Tube expansion

A scheme costing £200,000 to increase production of centrifugal cast tube will be undertaken by APV Paramount of Billingham on Teesside.

Advisory service

The Government is to set up a Manufacturing Advisory Service to help small and medium-sized companies in the metal working and assembly industries.

Wine sales

U.K. wine sales this year will rise by about 10 per cent from last year, says Mr. Peter Noble, chairman of the Wine Development Board, forecast yesterday.

1,500 workers

British Leyland's truck and bus division expects to employ 1,500 additional workers in the Leyland area of Lancashire during the next few years.

Craftsmen growth

W. H. Smith, Britain's largest newsagents, which started an experimental chain of craft shops selling dress materials, shoes, and other products in 1974, plans to open five more...

The Shell/Eso group has upgraded its estimates of peak production from the Dunbar Field to 150,000 b/d...

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U.K. signs pollution pact

NORTH SEA oil operators may soon be liable to pay up to \$35m. (£20m.) compensation for any pollution and will have to take out insurance for \$25m. to cover pollution claims under an international convention signed in London last night.

The convention is the outcome of an intergovernmental conference held in London at the end of last year...

Mr. Benn presses on with plans for an Energy Commission

By KENNETH GOODING, INDUSTRIAL CORRESPONDENT

MR. ANTHONY Wedgwood Benn, the Energy Secretary, made it clear at yesterday's meeting of the National Economic Development Council that he is pressing ahead with his plans to set up an Energy Commission...

The delay in setting up the Commission has mainly been caused by the prolonged discussion about its composition and membership...

He repeated that the aim was to coordinate the policies of various energy producers and make the State far more publicly accountable.

Labour holds vital industrial belt in Scottish elections

By RAY PERMAN, SCOTTISH CORRESPONDENT

THE LABOUR Party, which was prepared for disaster, emerged from the Scottish district council elections yesterday retaining the political base in the central industrial belt vital for its survival.

Such is the state of Scottish politics that not losses by Labour of more than 120 seats in the Nationalist and Conservative seats were greeted with relief by the party leadership.

The results were good for the Scottish National Party, which secured a valuable foothold in Labour's heartland...

The Labour Party, which was prepared for disaster, emerged from the Scottish district council elections yesterday retaining the political base in the central industrial belt vital for its survival.

The Liberal Party, displaced as the party of protest by the Nationalists in recent years, were pleased to have won control of the Inverclyde district...

GLC Tories hope for 9% swing

By Stuart Alexander

ALL THREE main parties yesterday had confidence in their chances of winning a seat in the Greater London Council elections.

The ruling Labour Party said it would win 40 seats and the Tories predicted a 9 per cent swing which would give them a comfortable majority...

Mr. Margaret Thatcher said she would lead the Inner London Education Authority as well as the GLC and emphasised that the Tories would not pass a penny more of the tax.

One of the main fears is that the poll will pass by a small one. In the last election of 1973 the turnout was less than 60 per cent and there is little evidence, except in a handful of constituencies, that there will be very much more enthusiasm this time.

Mr. John Keys, general secretary of the Greater London Regional Council of the Labour Party said the Tories were deliberately inflating the number of free bus passes on issue.

N.G. Bailey's £31m. power work

By MICHAEL LAFFERTY, CITY STAFF

N. G. BAILEY AND CO. Bradford, has received an order worth about £31m. for the cabling and installation work at Kippure power station in Northern Ireland.

The code will emphasise that a member of the public should not be in an unfair position in relation to the insurer when it comes to filling in a proposal form.

So "those matters which insurers have found generally to be material will (now have to) be the subject of clear questions. Although this code applies to non-life insurers, Mr. Clifton leading insurance concerns, Davis said that the Life Offices' Association was willing to concede a formal restatement of what was already widespread: for life insurance.

Highman Wheelabrator has won a £1m. contract for the Sheffield division of the British Steel Corporation for supplying and installing dust collection and fume control equipment in Crayke Works, Motherwell, and at Rotherham, South Yorkshire.

DW MUD, a subsidiary of Berry Wiggins and Co., named a number of clients in its contracts from oil companies. These include two North Sea contracts with Shell and Traillcon and one with Demaree for drilling in deep water off the west coast of Ireland.

PATERSON CANDY INTERNATIONAL part of the Portlough Treatment Group has been awarded a £700,000 contract for some plant by the Yorkshire Water Authority as part of its River Doorn scheme.

PNEULC, part of Bimud Quincey Group, is in supply noise reducing automatic high pressure squeeze moulding equipment worth more than £610,000 to Clarke Chapman's International combustion division at Derby and to Clay Cross, Derbyshire, foundries.

GRAHAM WOOD STRUCTURAL part of the Graham Wood Steel Group, has won an order from the Central Electricity Generating Board worth between £500,000 and £600,000. The contract is for buildings to be erected on the gas turbine station site at Hayes, Middlesex, comprising turbine hall, engine filter houses, gas generator filter houses, control building frame and services bridge, fire protection pump house, workshops and transformer houses.

INTERCOM SOCIETE INTERCOMMUNALE BELGE DE GAZ ET D'ELECTRICITE Societe anonyme, Place du Trone 1, Brussels, Belgium. NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of the shareholders will be held on Friday 20th May 1977 at 11 a.m. at the registered office of the Company, place du Trone 1, Brussels, Belgium.

AGENDA 1) To receive the reports of the Board of Directors, the College of Commissioners and the Company's Auditor...

Holders of shares entitled and wishing to attend or be represented at the meeting should, at least six days before the day fixed for the meeting, deposit a certificate of their holding by an authorised depository at one of the following banks: MIDLAND BANK, International Division, P.O. Box 181, 60, Gracechurch Street, London, E.C.3.

Handwritten signature or initials at the bottom of the page.

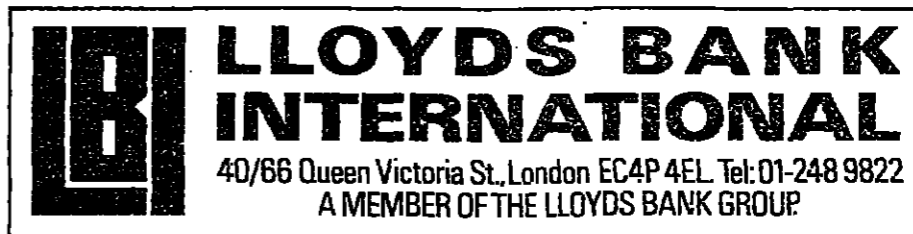
Handwritten note in a box: *ایچ اے ایچ*

Start here.

How did an East European Government obtain expert financial advice and a credit package including UK, US and Swiss Export Credits and a US \$100,000,000 syndicated euro-currency loan for a petrochemical project?



Or here.



The international bank that knows its way around the financial maze.

The above project isn't a hypothetical one. It's one that we were involved in from initial brief to completion. However, as you'll appreciate, even if the complexity of the solution could be explained in such a limited space, the confidentiality our customers expect prevents us going into details.

But please, get in touch, and without breaching any confidence, we'll tell you how we helped solve this particular financial problem. And perhaps advise you on any that you might have. By the way, drop us a line if you'd like a solution to the maze.

LBI, the Bank of London & South America and their subsidiaries are members of the Lloyds Bank Group and have offices in Argentina, Australia, Bahamas, Bahrain, Belgium, Brazil, Canada, Cayman Islands, Chile, Colombia, Costa Rica, Ecuador, Egypt, El Salvador, France, Federal Republic of Germany, Guatemala, Guernsey, Honduras, Hong Kong, Iran, Japan, Jersey, Malaysia, Mexico, Monaco, Netherlands, Nicaragua, Panama, Peru, Philippines, Portugal, Singapore, Spain, Switzerland, United Arab Emirates, United Kingdom, U.S.A., U.S.S.R., Uruguay, Venezuela.

Maze designed by Greg Bright

LABOUR NEWS

Civil Service union wants talks on closed shop

BY DAVID CHURCHILL, LABOUR STAFF

NEGOTIATIONS for a closed shop had been for some time... The union is going it alone among the white-collar Civil Service unions in its claim...

in principle. The union is going it alone among the white-collar Civil Service unions in its claim...

March to Impress Congress

THE NIGHT to Work Campaign is to organise a national march against unemployment and wage restraint to coincide with the TUC Congress in September...



Last year, the campaign organised a three-day march of the unemployed from London to the Congress in Brighton...

Journalists reject union strike call in support of colleagues

BY OUR LABOUR STAFF

JOURNALISTS at the Press Association news agency which serves most daily newspapers voted 100-64 yesterday to ignore an instruction from the National Union of Journalists...

Leyland gives choice on pay talks reform

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

LEYLAND CARS has offered its manual workers a choice of two alternative reforms of the present confused collective bargaining structure...

Threat to new ferry service

FERRY SERVICES to Le Havre from Southampton and Portsmouth could be disrupted by dockers in the two British ports unless agreement is reached with the operators Townsend Thoresen before May 21...

Pilots toughen stance on strike

STRIKING NORTH SEA helicopter pilots and their union made it clear yesterday in Aberdeen that they were prepared to hold out in the bitter dispute with the management of Bristol Helicopters...

necessary to bring it to a successful conclusion. And we are taking every step so that our organisation is capable of withstanding a long dispute...

Mr Young also said that since Mr. Bristol had claimed there was a surplus of North Sea helicopter pilots unions on the Air Transport and Travel Industry Board wanted an emergency meeting to ask Bristol to repay £8,000 of Government money for training pilots...

ACAS may appeal against judgment

BY OUR LABOUR STAFF

THE ADVISORY Conciliation and Arbitration Service is considering whether to appeal against a High Court decision that ACAS did not fully sound out employees' opinions in a questionnaire about union recognition...

chairman's aid when presenting the service's second annual report yesterday that the full terms of the judgment would be considered by counsel...

pointed out that ACAS could only make a recommendation about the union which had applied for recognition in the case of the TUC-affiliated Association of Scientific, Technical and Managerial Staffs...

DISMISSED COLUMNIST SEEKS REINSTATEMENT Minister gives evidence at tribunal

MRS. JUDITH HART, Minister for Overseas Development, yesterday told a London industrial tribunal: "I think it would be a very dangerous situation if columnists in our newspapers were to find they were no longer able to say what they thought..."

the Financial Times, said a newspaper editor had the right to use the journalists at his disposal as he wished providing he acted in a responsible manner...

state the relationship had come to an end. Mr. Dukes said the chapel had advised Mr. Tether that he should meet Mr. Fisher...

Mr. Dukes said "In 1964 you received a document under the contract of employment Acts and it so described you. I do not remember receiving from you any objection to this description..."

Advertisement for I.C.I. INTERNATIONAL FINANCE LIMITED, featuring the ICI logo and a list of member banks from various countries including Germany, France, Italy, and the UK.

Mrs. Hart said she had been a regular reader of Mr. Tether's column since the mid-1960s. "I always found the articles, especially in relation to developing countries, not only valuable but actually informative..."

He was not convinced that face-to-face contact had been put to the test in this case. Mr. Tether said what was involved was his whole status. He had offered to engage in a dialogue on the issue raised between himself and the editor...

Mr. Dukes said: "It is your argument that you have a unique contract. It is not my view. You have a contract similar to other specialist writers on the paper..."

Mr. Dukes said Mr. Tether had always been regarded as a specialist writer who had been required to write on a wide range of topics. Mr. Dukes affirmed that Mr. Fisher had written to Mr. Tether to speak a face-to-face meeting and that the father chairman of the Financial Times chapel (union branch) had advised Mr. Tether to attend with a chapel official of his own choice...

Information "I found that the Lombard pieces gave me a good deal of information, and secondly information, and an analysis which was particularly invaluable..."

When you're dealing with customers, suppliers or subsidiaries on the other side of the world, arranging the right kind of finance isn't just a matter of saving yourself time and trouble; it can save you considerable sums of money as well...

making the best use of funds in a world of highly volatile exchange and interest rates, you'll almost certainly find that there's an effective and economically sensible solution - through the ANZ Bank...

Advertisement for ANZ BANK, Australia and New Zealand, with a cartoon illustration of a man holding a large dollar sign and a coupon for requesting more information.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● ELECTRONICS Price of progress

A PENETRATING analysis of what advanced electronic components are doing to the cost of computer manufacture and to the orientation of manufacturer strategy when operating within new parameters was given recently by Professor D. Aspinal of University College of Swansea to a recent Infotech brainstorming session on future systems in computing.

He pointed out that pricing policies where prices were proportional to the square root of performance had their roots in the labour-intensive days of manual circuit assembly—and had become the traditional way of charging for computers.

But the new integrated circuits replaced many man-days of circuit building at a stroke and had learning cost curve characteristics which implied that they could provide builders of major computer units with ever-reducing costs—in other words, the longer the run, the less the cost.

This would have a major impact on computer design and the probability was that general purpose machines in future would be based on a multiplicity of processors within an integrated whole, powered derived from the rapidly declining costs of the new processors.

Talking to Infotech about multi-micro systems, Professor Aspinal said such a "beast" could be built for general purposes. He went on to describe the machine being built out of 16 Intel 8080 micros at University College. It has 64K of store and is a system in which memory is both individual to processors and also so arranged that it can support work shared between the units.

Totally different in its approach to the use of the new circuits is that of Burroughs, explained by Robert Barton, Dr. Barton, director of engineering for systems research, talking

Dash clocks go digital

A 12-hour digital clock micro-circuit designed specifically for car dashboards has been introduced by General Instrument Microelectronics—the company's first standard product in integrated injection logic technology.

CR3300 requires only a three- and a half digit display, an inexpensive TV ceramic crystal as a time reference and a small trimming capacitor in order to assemble a complete clock module.

Driven direct from a car battery the unit will operate over a wide-voltage range. It combines high noise immunity with a high current drive to all LED segments directly, without intervening circuits.

Operating at a high frequency, the circuit takes its timing reference direct from the crystal at over 3.5 MHz—no external pre-scaling is needed.

Predictions of this and other L-shaped L components, initially in Arizona, is to be complemented with a second diffusion unit at the company's Glenrothes plant.



● MACHINE TOOLS Transfer grinding

THE LATEST grinding machines is self-contained in that generated stresses are not transmitted outside the main frame, so that no special foundation is required. The arrangement of an annular table revolving round a central column carrying the wheelhead produces a compact layout (3,600 x 4,000 x 2,320 mm high).

The 3,600 mm dia. table can be rotated at 1 or 1 rpm. Maximum grinding height is 265 mm, and spindle speed is 760 rpm, and the grinding wheel is 750 mm dia. x 100 mm thick driven by a 75kW wheelhead motor.

More from Snow and Co., Andrew Street, Sheffield, S3 8HD (0742 22272).

● AVIATION Talk-down radar bid

DERIVED from MADGE, the military aircraft guidance system, is a variant called PAIR, standing for precision approach interferometer radar.

Developed by MEL of Crawley, a Philips company, it provides the same kind of dual bearing and elevation display for airfield controllers as the well-established precision approach radar or PAR—which so far has gained more favour with the military rather than the civil authorities. Using the display, controllers "talk" the aircraft down.

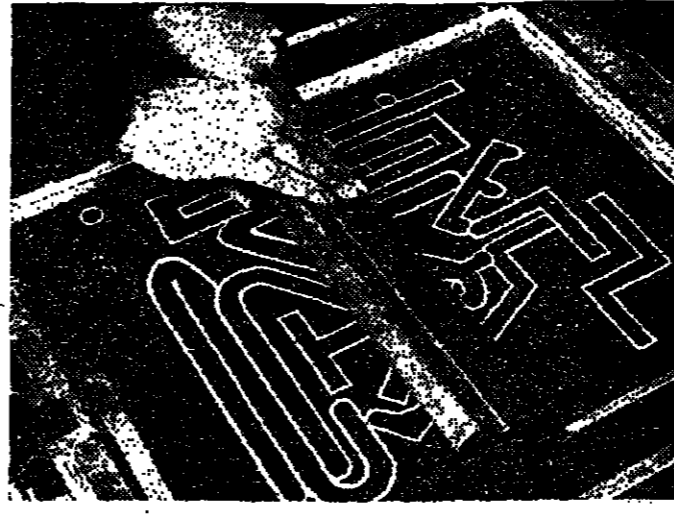
MEL believes however that the new system, which can be installed and brought into use in a day or two at a cost of about £300,000 will succeed in developing countries where, at £200,000 or so per runway end, ILS will lose out—particularly in view of the uncertainty about the newer microwave version, MLS.

PAIR scores over PAR by causing less uncertainty due to clutter for later examination.

Approaching aircraft are interrogated by the ground equipment and their transponders (the same kind as for secondary surveillance radar) send back a signal which impinges on a pair of separated aerials on a line at right angles to the runway. The signal reaches one of the

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Because the display is entirely synthetic and does not depend directly on radar returns, reflections other than from aircraft disappear. Furthermore, because the data is digitised, each airfield approach can be recorded for later examination.

According to MEL, only 5 per cent of the world's airfields of all kinds have any approach aids at all and many of them need something that can be put on a cartable and aimed down any separated aerials on a line at right angles to the runway. It expects to sell 70 systems in this market area.

GEORGE CHARLISH

● DATA PROCESSING Stores many pages

LATEST version of IBM's U.S.—to process hardware and memory typewriter, the 82 M software performance measurements in a DP installation so as to predict its performance under possible future variations of equipment layout, load, etc.

It is claimed that BEST/1 can predict accurately the performance of almost any computer system as a function of its hardware, software and workload.

The system will be extensive use of the system at Logica where frequently the work entails the review of a number of options for the most economical hardware/software growth path to handle clients' processing growth.

BEST/1 will give relatively quick results and it runs interactively so that several arrangements can be investigated in one session without excessive analytical effort.

Typical of the questions that the package can answer is "what will an increase in on-line workload do to response time, batch throughput and batch turn-round time?" It is also possible to assess the effect of adding, say, an extra processor, more main memory or alternative types of disc. Likely bottlenecks can also be predicted for a given increase in workload.

According to Dr. Jeff Busen, originator of BEST/1, analysts can characterise systems and workloads with a relatively small set of parameters—unlike some performance prediction systems BEST/1 offered as the result of which need much more input data into which some unsubstantiated assumptions might easily be injected. Logica is at 64, New-man Street, London, W1P 3PG (01-580 8361).

Performance predictor

NEW WEAPON in Logica's performance management armoury is a simulator package called BEST/1 offered as the result of an agreement with the originators of the package, BGS Systems of Massachusetts.

Essentially it makes use of formulae—well validated in the

● PRINTING Lining up for the new technology

BY THE late autumn the use so far, including the various Nottingham Evening Post plans to be on-line with 40 terminals that some terminals originally of advanced design working installed by ICL last year—now into a pair of ICL 2903 computers for the direct input of all editorial material.

The keyboard CRT-display units have been designed by TIPS Terminals, a newly-formed company specialising in advanced printing software and are being built by Dynamic Technology of Acton, a London Weekend company with considerable experience in microprocessors and television studio hardware.

Pilot of the system is being shown in Nottingham to-day to some 50 delegates to the London conference of IFRA, the international research association for newspaper technology.

The system is believed to be well in advance of anything in

further work. Eventually the story is electronically fed direct to a phototypesetting machine.

Zilog micros are used in the TIPS terminal where one of the aims has been to place sufficient memory (36k bytes) and intelligence in each station to allow the newspaper's staff to key in up to 10,000 characters (about 2,500 words) with no demand on the mainframe storage. Each workstation has considerable independence, with full hyphenation and justification. Response times have been specified at eight seconds maximum.

One of the knottier problems of terminals for newspaper copy input—the format of the keyboard—is made easier by arranging for the keys to be function-designated by the software. Thus for each workstation the keys can be moved up to 256—can have whatever meanings are appropriate for that particular writer or editor. Only the "query" and numerals plus usual "type-writer" keys are fixed.

Another feature is that keyboard, display and electronics comprise three separate units. Communication from the keyboard section is in serial mode over a single pair line so that

It is not out of the question for a ruralist out on assignment to plug a portable unit equipped with acoustic coupler into any public telephone and key his copy straight in.

Characters on the screen are derived from the higher density 12 x 7 dot matrix and the software allows the user to put any character set into the machine's random access memory—roman, arabic or cyrillic, for example. In fact he is able to generate whatever he wants from Farsee to knife and fork symbols for hotel guides.

Variability can also be introduced into the size of the characters seen on the screen (16 point is normal), and into the length of the line. Apart from scrolling the material up and down it can also be moved from side to side (for over-width setting).

Other character manipulation includes bright-up to produce a bold letter, italic, visible strike-out of characters, field protection (prevention of encroachment of designated areas) and reversal (black on white). TIPS is at Woodend, Byfleet Road, Cobham, Surrey (01 286 3055).

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16 THE JOBS COLUMN

Way into Whitehall . Senior card dealers . Finance head

BY MICHAEL DIXON

DESPITE THE ODDS against ward capital investment or a business manager's entering the upper Civil Service (which would otherwise have I noted a fortnight ago), the onward march of the mandarins has made it valuable for big companies to have among their senior management people directly experienced in the ways of Whitehall.

Companies know this, of course. And so evidently does the canny recruitment consultancy of Tyzack and Partners because for a top governmental job-opening to be announced tomorrow, it will call not only for individuals to apply on their own behalf, but also for companies to nominate staff for secondment.

The job is director of the Industrial Development Unit of the Department of Industry in London, responsible directly to Sir Peter Carey, the department's permanent secretary. It is on the market because Graeme Odgers, the present holder, is going next month to work for GEC.

The unit has four main areas of activity stemming from the Industry Act of 1972, covering the appraisal and negotiation of schemes, rescue cases such as the Meriden motor-cycle co-operative (now receiving aid also from GEC), and selective investment schemes intended to bring for-

It seems that in some instances big companies think that having their top people in Whitehall for a time is worth the cost of adding to their Civil Service pay whatever is necessary to maintain their previous salary level.

Candidates applying, or companies nominating, should contact Mr. Addis at 10, Ballam Street, London W1N 6DJ, preferably by letter outlining their qualifications for the job, although, if someone has a good reason for telephoning him at 01-580 2924, he would not mind too much.

I have, by the way, certain misgivings about the rather special high-level jobs market which is developing as a by-product of the recent extension of the Civil Service's influence over the business world. My concern is not the flow of people from industry and commerce into upper Whitehall—which I applaud—but the movement the other way.

It would be wrong to suppose that the extension of Whitehall's domain has been consciously motivated in any way by the consequent growth of external demand for successful senior, or even retired, civil servants. But I have yet to meet the mandarin who complains about this development, and if it is not to seem insidious, then I feel that the Civil Service ought to make it much easier than it is now for people from

other kinds of organisation to enter the lower ranks of its top administrative class. Certainly the general barrier against entry after the age of 27 should go, and go quickly.

Since saying that the only explanation I had received for the age barrier was the mystical one that civil servants must be impartial, I have heard what purports to be the real reason. It is that the admission of people to the executive and administrative classes up to the age of 28 was forecast on the Civil Service Commission in the past by shortage of candidates. Ideally the commission would prefer the recruitment to be directly from education at the ages of 18 or 21 before the candidates had been contaminated by other kinds of work at all.

Simon Elvin will obviously be a hard man to follow, and it is a wise old saw of management (I think) that the person who creates and cultivates a business is best succeeded by a consolidator, especially if the business has become part of a large group.

This is perhaps why the job specification indicates a professional manager—a first-class organiser with a sound sense of marketing and finance. The preferred age is below 45, and the quoted backgrounds, as well as the greeting-card business, are printing and publishing, or a fast-moving fashion industry.

Whoever gets the job will be responsible to Mr. Myers, and will have the subsidiary's directors of finance, sales, general management and production, and merchandise planning in immediate support. Since Mr. Elvin has agreed to stay, if required, until September 1978

the newcomer will have the possibility of the founder's help while settling into the company which, by the way, sells to retail as well as wholesale outlets.

The perks include a car, but the salary is not stated. So I will make my own estimate of £13,000 to £15,000. Applications for the Image Arts job should be written with qualifications in outline to consultant Alan Chambers, Urwick Orr and Partners, Baylis House, Stoke Poges Lane, Slough SL1 3PF.

As it happens, the group's other joint managing director, Alan Wilson, is seeking on his own behalf a publishing manager for the main subsidiary Wilson Brothers Greeting Cards, based in Hayes, and dealing with wholesalers and chain stores.

The experience stated as essential indicates the tasks involved—it is production planning and control, costing, and some technical knowledge of printing and publishing. Bonuses would be familiarly with the management of product-development, including market research and sales promotion, and with purchasing. No paper qualification is required, but candidates must be competent in statistical and accounting techniques. The age range is 30 to 45.

The recruit will have about 15 staff, including three or four managerial people, and will

Greetings

SIX YEARS ago Simon Elvin, who had started a greeting-card company called Image Arts of England, went to the Harrogate Toy Fair. So did Alan Wilson and Gordon Myers, joint managing directors of the Wilson Brothers group, which has been in greetings cards for 76 years.

The consequence was that Mr. Elvin sold his 12-employee, £80,000-turnover company to the quoted group. "But what we really were buying was his ability to develop Image Arts

Bedtime story

WHEN Tom Clarke joined the Second War's first naval conscripts he was a junior railway clerk. By demobilisation he had decided to work for himself, but wasn't sure at what. Then his mother-in-law said: "Re-make beds," to which he replied: "Pardon?"

The lady explained that, since no materials were available for manufacturing new mattresses, there was doubtless a market for re-built ones. Mr. Clarke followed the suggestion and when materials eased in 1948 moved into the production of new mattresses and divans.

"At that time," he says, "the country had about 450 manufacturers in the field. To-day a group of about eight account for 75 per cent of the turnover." And of this group, Mr. Clarke's Silentnight group claims second place, having grown at a rate of 15 to 25 per cent, internally and by acquisition.

One of the reasons why you telephoning.

DIVISIONAL MANAGEMENT ACCOUNTANT

London W3 to £6000

Currently turning over £40 million, our engineering industry client, a highly profitable subsidiary of a major public company, is undergoing rapid growth worldwide.

Reporting to the Finance Manager, the Management Accountant will supervise 18 staff and be responsible for all aspects of accounting and finance including cashflow forecasts, budgets and management reports. Spending the majority of time on business analysis, the accountant will advise and liaise with line managers on development of efficiency within their respective areas.

The position provides an ideal opportunity to gain substantial management experience and involvement in all aspects of a business.

Aged 24-28, applicants (male or female) should be qualified accountants with professional or industrial experience and should telephone or write to Stephen Blaney B.Comm., ACA quoting reference 1/1504.

EMA Management Personnel Ltd.
Burne House, 88/89 High Holborn
London WC1V 6LR
01-242 7773

INTERNATIONAL BANK

London

Up to £6,500 + benefits

Our client is a prominent international bank which has a reputation for the quality of service provided to clients including Governments, multi-national organisations and private individuals.

The bank has a series of systems development projects planned through to the 1980's and is now recruiting two specialists to join a review group assessing and advising on the procedures and controls throughout the implementation programme.

RECENTLY QUALIFIED A.C.A.

Applicants, (male/female), will be recently qualified accountants aged around their mid/late twenties. They will probably have trained with a leading professional practice and have a knowledge of sophisticated accounting systems and computerised procedures. Ref 1858.

COMPUTER SYSTEMS ADVISER

Applicants, (male/female), will probably be aged in their mid/late twenties and will have had programming and analysis experience with a consultancy or a major company operating advanced systems and procedures. They should be able to take an objective approach, work independently and have the ability to communicate effectively with management. Ref 1862.

For more detailed information concerning these appointments and a personal history form, please contact Nigel V. Smith, A.C.A. quoting the appropriate reference.

Douglas Lambias Associates Ltd.,
410 Strand, London WC2R 0NS.
Telephone: 01-836 9501
and 3 Coates Place, Edinburgh EH3 7AA.
Telephone: 031-225 7744.



COMMERCE & INDUSTRY

Management Accountant

c. £8000 + car + bonus

Our client is an International Company with a turnover in excess of £1,000 million. A position has arisen within the Finance Department based in the City, for a qualified Management Accountant.

The successful candidate should be aged around 35, have personal qualities of a high order and the maturity to gain acceptance at all levels.

Reporting to the Group Management Accountant, and acting as his deputy, the person appointed will be responsible for co-ordinating and participating in the design of systems, the provision of continuous up-to-date management information, analysis of group profits, capital expenditure and acquisition proposals and the forecasting of the future financial position of the group.

A salary of c. £8,000 is offered together with excellent fringe benefits, which include a company car.

Candidates should send brief but comprehensive details of career and salary to date, which will be treated in the strictest confidence and forwarded unopened to our client.



JWT Recruitment Ltd. (J41UF)
40 Beccles Square, London W1X 6AD.

Manager-Accounting Development

This is a rare opportunity to head up a new department of project and section leaders who are initiating, planning and developing accounting systems in the largest division of a major engineering company. Assisted by computer specialists and using data base techniques, the Accounting Development Manager will be expected to identify and interpret user requirements across related functions of the business and to translate these needs into effective, accurate and acceptable systems. The results of his team's efforts are expected to play a significant part in improving management controls, in areas which impact on the business as a whole. Applicants, male or female, should be fully qualified Accountants who have been accustomed to designing advanced accounting systems, using computer facilities

and expertise, for a large scale manufacturing environment. Future career opportunities could extend beyond accounting development. The total remuneration package is impressive and reflects the importance attached to this new senior appointment. Benefits also include a car leasing scheme and generous re-location assistance to the North West.

PA Personnel Services Ref: AA33/5962/FT

The identity of candidates will not be revealed to our clients without prior permission given during a confidential discussion. Please send brief career details, quoting reference number to the address below, or write for an application form, and advise us if you have recently made any other applications.

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874



A member of PA International

Assistant Director of Finance (Accountancy)

£10,427 - £11,149.

The Assistant Director is responsible to the Director of Finance for the entire accountancy function of the Authority including co-ordinating the accountancy operation in the eight functional Divisions. The Assistant Director will also be responsible for the formulation and management of the annual revenue budget and all related charging proposals.

The post is suitable for a qualified accountant with considerable experience at senior management level in the finance directorate of a public authority or other large organisation. The Assistant Director post is located in modern offices in central Leeds and relocation expenses are available. A Regular User Motor Vehicle Allowance is payable. Remuneration and conditions of service are in accordance with the Joint Negotiating Committee for Water Service Senior Staffs. Application forms and further details are available from the Regional Personnel Officer, Yorkshire Water Authority, West Riding House, 67 Albion Street, Leeds LS1 5AA, to whom they should be returned by 18th May 1977 quoting reference RN 328.



ASSISTANT TO GROUP TREASURER MANCHESTER

TOOTAL is a large international group with a turnover in excess of £320m, of which about half relates to overseas companies and exports from the U.K.

The work will involve all aspects of raising finance and investing and monitoring its use both inside and outside the business. Early emphasis will be on group currency cover routines and cash management.

The candidate will probably be in his or her late 20s or early 30s and ideally should have an Accountancy qualification or an Economics or similar degree, along with relevant experience with a multi-national company or bank. Those who only meet some of these requirements, but are equal to the post and its potential, should not be deterred from applying.

Job satisfaction and excellent career prospects together with an attractive salary are the rewards offered to the right applicant.

Please write in the first instance to:

Group Appointments Manager,

TOOTAL LIMITED

54 Oxford Street, Manchester M60 1HL.

Treasurer Designate

The vigorous pursuit of a successful UK and overseas growth strategy has sustained the profitable growth of this 9-figure international group. It has also demanded international money management expertise of a high order.

Intended further growth and the need to augment the group's senior management capacity has created the need for a No. 2 to the Treasurer whom the appointed candidate should succeed within a period which should not exceed 3 years. He or she will at present probably be in either international banking or the Treasury team of a substantial multinational business. Successful international money market experience is essential—as are the personal qualities which will ensure success in an innovative but demanding management environment. The likely age is 35 to 45.

Although based in the North, the post will involve considerable interface with City and overseas financial institutions. The salary, supported by the usual benefits, will probably be in the range of £9,000 to £12,000.

Please send full details—in confidence—to C. Bezon ref. B.17241.

MSL Management Consultants

Management Selection Limited
17 Stratton Street London W1X 6DB

International Systems Development Manager

One of the leading corporate banks in the U.S. is seeking to fill a senior position within its International Banking Division Operations group. The person appointed will be responsible for managing an international team in developing automated banking systems for installation in the Bank's smaller and medium-sized branch offices in Europe and the Far East. The position will initially be based in Frankfurt with the development team and will also involve some international travel.

Applicants for this position should preferably be in their late 20s or early 30s and should meet the following requirements:

- Recent management responsibility for one or more major systems design and installation projects carried out in a professional business environment.
- Experience in the development of systems to run on mini-computers.

- Proven ability to design transaction-based accounting and reporting systems of a complex financial nature.
- Considerable personal energy and drive combined with the ability to motivate an international systems team.

This is a demanding and challenging appointment which carries a substantial base salary together with an attractive range of fringe benefits including pension and mortgage schemes, profit-sharing and, during assignment, abroad, generous housing and educational allowances.

Applications, which will be treated in the strictest confidence, should be made to writing supported by a full curriculum vitae to:

D. C. F. Hovstad, Assistant Vice President,
Morgan Guaranty Trust Company of New York, P.O. Box 108,
33 Lombard Street, London EC3P 3BH.

Morgan Guaranty
Trust Company of New York

HAMPTON GOLD MINING AREAS LIMITED

Acquisition and Investment Research
London Head Office

Hampton Areas is looking for someone with a degree and a basic training in one of the mineral sciences to join its Head Office team.

The Group, which is expanding, has interests in the U.K., Australia and in North Sea exploration, is planning to extend its interests in the development of natural resources both at home and overseas.

The successful applicant will be a self-starter who, with the minimum of guidance, can carry out wide ranging technical and commercial investigations of potential investments and acquisitions in the extractive field. He or she will initiate and prepare investment recommendations and compile market research and economic commodity reports. Some travel will be necessary. The ideal candidate is likely to be aged 25-35, having had some commercial or City experience, as well as having spent a period in practical exploration, mining or oil production. Initial terms will be set according to age and experience and will include a company car.

Applicants should write or telephone for an application form and for further information to:

J. D. M. Cooper,
Hampton Gold Mining Areas Limited,
1 Vintner's Place,
LONDON EC4V 3DP.
Telephone No: 01-248 3051.

Copy to 15/50

SCANDIA PLATE

AREA SALES MANAGER

For major UK expansion

Scandia Plate, the export sales organisation specialising in heavy steel plate from Swedish Companies, mainly from Oxelösund Steelworks of the Gränges Company - one of Sweden's largest industrial groups - is expanding its sales organisation in Great Britain, to keep abreast of the growth in this important market.

As a result the company requires one more experienced Sales Manager for the London area to assist with sales of heavy steel plate in advanced, specialised and normal grades.

Aged 25-40, the candidate should have the benefit of a solid technical or economics education and be familiar with heavy industries such as mechanical engineering, steel construction, building and mining equipment. The appointment for this Region will be London based. Full and continuous training facilities will be given in Sweden. Applications accompanied by a comprehensive curriculum vitae, sent to arrive not later than 23rd May 1977, should be addressed to:

The Managing Director,
Scandia Plate Limited,
Carolyn House, Dingwall Road,
Croydon, Surrey.

SCANDIA PLATE LIMITED

Export sales company for heavy steel plate from Gränges Oxelösunds Järnverk, Sweden.

INTERNATIONAL MANUFACTURING CORPORATION

seeks hard driving
MANAGER

To organise/run Sales and Production in brand new U.K. plant. Fringe benefits, international earnings. Only experienced, ambitious, extremely hard workers need apply.

Send resumes and references to Box A.5933, Financial Times, 10, Cannon Street, EC4P 4BY.

RESEARCH OFFICERS

4 vacancies, of varying seniority exist with a prominent management body based in London. Suitable candidates (preferably Econ or Ind. Sociology, Business or Man studies graduates) will have at least 2 years post grad experience in research and report writing. Salaries are according to age and experience. For full details of these absorbing positions ring:

JULIAN CURRAGE ON
01-437 5811
Graduate, Girls/Graduate Men

GILBERT ELIOTT & COMPANY

Invite applications from young persons for a vacancy on their Convertible Dealing Desk. Candidates will preferably have had experience in this or related markets. Competitive salary and benefits offered.

Phone: Christopher Church
01-628 6782

THE COLLEGE OF ENGINEERING KING ABDULAZIZ UNIVERSITY, JEDDAH, SAUDI ARABIA

The College of Engineering, King Abdulaziz University, Jeddah, Saudi Arabia, invite applications for essentially under-graduate teaching assignments beginning Autumn, 1977 in the fields of PHYSICS, CHEMISTRY, MATHEMATICS, ARCHITECTURE, LANDSCAPE ARCHITECTURE, COMPUTER SCIENCE and areas of CIVIL, ELECTRICAL, NUCLEAR, INDUSTRIAL and MECHANICAL ENGINEERING. The teaching language of the College is English.

Minimum qualification is Ph.D in the related discipline. The level of appointment will depend upon the number of years of teaching and allied experience. Research will be encouraged.

The pay scales are comparable with those of U.S.A. Housing or housing allowance is provided. There is no local income tax. A maximum of four Air travel Tickets are issued for use of employee and family including the two months summer vacation. Contracts are for one year and are renewable. Schooling for children is expensive but may be provided this year, by the University.

In applying please specify the position you wish to be considered for and enclose your curriculum vitae and supporting documents with names for two references and a summary of your Ph.D Thesis. Please reply not later than June 30, 1977 to:

College of Engineering
King Abdulaziz University,
PO Box 1540, Jeddah

SAUDI ARABIA

Head of Management Services

Fitch Lovell is a substantial and highly successful British Group with a large number of subsidiaries covering all aspects of the food industry. Following internal promotion, this key executive appointment has arisen at Head Office in the City of London. The successful candidate will lead a small team which provides a comprehensive service to the managements of group companies and, in accordance with the importance attached to the job, he/she will report to the Executive Chairman of the Group. A sound, well-rounded business background is required together with relevant experience in a sizeable industrial or commercial company. Higher level qualifications in business studies or another discipline related to the management services function would be an advantage. Personal qualities in terms of persuasiveness, tact and objectivity, and ability to complete projects within time/cost limits are essential. The preferred age range is 30-45. The salary is negotiable but the successful candidate is unlikely to be earning less than £7,000 at present. There are good benefits including a company car. Please apply in writing giving personal and career details to: The Personnel Adviser, Fitch Lovell Ltd, 1 West Smithfield, London ECL.

FITCH LOVELL LTD

FINANCIAL TIMES

PROMOTIONS EXECUTIVE

The Promotions Department of the Financial Times requires a young Promotions Executive for a new appointment offering considerable scope for individual expression and initiative.

The successful candidate must have sound promotional experience, preferably gained in a newspaper or advertising agency. This experience should include knowledge of the marketing aspects of promotions as well as the preparation and commissioning of advertisements, promotional brochures and leaflets. An ability to write advertising copy in good, clear English would be a decided advantage.

The successful candidate will be required to discuss promotional projects at all levels within the Financial Times group as well as briefing outside agencies on the group's requirements.

Salary will be by negotiation within the range of £4500 to £8000 a year.

Please write giving age, qualifications and experience to:

Personnel Department,
Financial Times,
Bracken House, 10 Cannon Street,
London EC4P 4BY

Financial Controller

c. £8,000+benefits

Lisbon

Singer operate extensively in many countries of the world and have a long established industrial and consumer business for their products in Portugal. The company wishes to appoint a Financial Controller at its marketing headquarters in Lisbon to be responsible for all aspects of financial control.

Applicants who wish to join this dynamic multinational organisation should be qualified accountants in their late twenties who can offer some previous multinational experience either in a similar position or from an auditing role. A knowledge of U.S. accounting techniques and requirements coupled with experience of computer based accounting systems would be an advantage. Candidates should have a knowledge of, or be prepared to learn, Portuguese.

After a short induction period spent in London and Brussels the Financial Controller could expect to spend some 2-3 years in this position before he or she is promoted to another financial appointment elsewhere. Longer term prospects with the company are excellent and depend entirely on individual ability. Fringe benefits include an overseas service allowance, 4 weeks paid home leave, insurance and pension schemes and relocation and school fee allowances.

Please write with concise details of age, experience, qualifications and present salary to Peter Sandall, ACA.

Mann Judd
Consultants
2 Torrington Place
London WC1E 7JP

SINGER

ENGINEERING

An Institutional Equity Sales group specialising in the Engineering Sector is looking for an additional Research Analyst to complete a team. The opportunity would be attractive to an analyst with 2-3 years' experience in stockbroking and a degree or professional qualification. The assignment would involve in-depth coverage of a limited range of companies, with some bias to Heavy Engineering. Reward based on salary and profit share would be competitive: full range of benefits is also available, including a non-contributory pension scheme.

Replies, which will be treated in strictest confidence, to Box A.5938, Financial Times, 10, Cannon Street, EC4P 4BY.

EURO-CURRENCY SYNDICATIONS

FAST-GROWING MULTI-NATIONAL BANK

Responsibilities of this Executive will include credit analysis, preparation of offers, review of loan documentation, syndication of loans, negotiation with borrowers and participating banks.

Applicants should be in their late 20's/early 30's with an experience of at least 2 years on the euro-credit market. Middle-East experience, whilst not essential, will be an advantage.

This position will be held in PARIS and will involve overseas travel. Salary, which will depend on experience, will not be under £9,000, plus benefits and incentives.

Applications in strict confidence to Box No. F.537, Financial Times, 10, Cannon Street, EC4P 4BY.

Account Officer Scandinavian Banking-London

Citibank NA, one of the world's leading international banks, already has extensive commercial and merchant banking relationships with Sweden. Now, due to expansion in this area, we need another Account Officer to join the Scandinavian team in our World Corporation Division based in London.

The position will involve credit and marketing work and will lead to direct contact and responsibility for the Bank's worldwide relationships with Swedish clients. So you should be a Swedish national, fluent in English, aged between 25 and 30,

and preferably have a business degree from a European or American University. The ideal candidate should also have gained 1-2 years business experience either in finance or commerce.

Salary will be negotiable according to experience and qualifications, and there is an excellent range of benefits.

Please write in confidence with details of your education, experience and present salary level, to: Mr. J.J. Kennedy, Vice President, Citibank NA, Citibank House, 336 Strand, London WC2R 1HB.

CITIBANK

YOUNG INVESTMENT ANALYST

We are a small old established Northern region firm of stockbrokers who are aware that the future for stockbroking lies in developing and expanding new activities. We believe we can offer an attractive and interesting opportunity to a young investment analyst—perhaps, but not essentially, with a degree, perhaps with one or two years' experience in investment analysis or some similar activity. Building on our strong corporate connections, our detailed research has secured growing recognition from institutions. We are also developing expertise in the areas of portfolio management, personal financial planning services and a limited range of corporate finance activities. The person we are seeking should have the technical background and flair to participate in each of these activities. In exchange we feel we can offer a varied and stimulating working environment, and the chance to work outside London.

Write Box A.5931, Financial Times, 10, Cannon Street, EC4P 4BY.

STOCKBROKERS

Leading Stockbrokers with substantial established International operations are looking for more Arbitrageurs and Sales Executives with analytical ability for Far East, Australia and North America.

Please apply giving the usual curriculum vitae to Box A.5917, Financial Times, 10, Cannon Street, EC4P 4BY.

ST. JOHN'S COLLEGE, OXFORD FINANCIAL COMPTROLLER

The College seeks to appoint to this post, for a period not exceeding five years, a fully qualified accountant with managerial ability, preferably a University graduate and preferably in the age range 28 to 40. The Financial Comptroller will assist the Bursar in the administration of the College's finances. The salary attached to the appointment will probably be in the £7,000 to £8,000 range, with superannuation under the Universities Superannuation Scheme. Further particulars may be obtained from the Bursar, St. John's College, Oxford.

LOANS ADMINISTRATION c. £3,600

A career minded young banker with real capability in international Loans Administration will recognize this as a first-class opportunity with a young "Concorium" Bank that is itself developing very strongly.

Please telephone John Chiverton, A.L.B., on 405 7711.
DAVID WHITE ASSOCIATES LIMITED

F./EX. ACCOUNTING £3,000-£3,500

Experienced in F/X Accounting that includes Nostro Rec's, M'st Reports, and Early 20s, but responsible and mature! You could do very well with this expanding international Bank who will both use and reward your abilities.

INSTITUTIONAL EQUITY SALES

Kitcat & Aitken

We wish to strengthen our existing Sales Team and are looking for someone with experience and a proven record of success. Remuneration negotiable and fully competitive.

Please telephone Peter Nuttall, 588 6280.

Senior Accountants

Central London to £10,000

Our client, a UK based world-wide manufacturing group, has just completed a major restructuring of its activities into profit-accountable operating groups, each responsible for its own accounting and financial control. This presents a challenge to the finance function which requires additional high level staff in the following areas:

MANAGEMENT ACCOUNTANTS FOR PLANNING ANALYSIS AND CONTROL

— to form part of a management team in charge of the operating functions. They will be required to provide financial input to management thinking in relation to major capital projects and subsequent operating efficiency. They will assist in the planning and preparation of detailed budgets Ref: 0429/FT

FINANCIAL ACCOUNTANTS

— to establish and maintain full financial and cost accounting systems within their operating groups and thus provide adequate and up to date information for operating management. Ref: 0430/FT

These are management level positions offering good career prospects which will appeal to Qualified Accountants, aged 28-45, with appropriate industrial experience including EDP systems. Fringe benefits are attractive, including profit sharing scheme.

Telephone 01-836 1707 (24 hr service) quoting appropriate reference number. Reed Executive Selection Ltd., 55/56 St Martin's Lane, London WC2N 4EA.

Reed Executive

The Specialists in Executive and Management Selection

London Birmingham Manchester Leeds

SENIOR AUDITOR EUROPE

WE ARE:
One of the fastest growing, most profitable US mini-computer (Eclipse and Nova) manufacturers with over 30,000 systems installed worldwide. New York stock exchange listed and with subsidiaries in 13 European countries.

YOUR JOB:
• Reviewing and appraising the soundness, adequacy and application of accounting, financial and operating controls.
• Ascertaining the extent of compliance with established corporate policies and procedures.
• Furnishing corporate top management in the US with objective analysis, appraisals and recommendations on the activities reviewed.

YOU:
• Are reporting to our audit manager European operations (Dutch nationality).
• Will be based in the Hague (Netherlands) but eventually willing to relocate elsewhere in Europe.
• Have finished your accountancy studies and 5 years or more interval auditing experience in industry or with an audit firm.
• Are willing to travel 50 PCT of your time and speak one other European language.

Applications should be sent to:
Eric J. Giskes - European Personnel Manager
DATA GENERAL EUROPE
15, rue le Saucier - 75016 PARIS - FRANCE

with **Data General**

Loan Manager

up to £10,000

One of the world's leading banks operates a subsidiary company specialising in the provision of finance to the property and construction sectors in the U.K. and overseas.

A Loan Manager is now required who will be responsible to the General Manager for the provision of finance for a wide ranging clientele. He or she will recommend to the management suitable projects.

Candidates should preferably be graduates or members of the legal or accounting professions. Their experience should cover the preparation of loan documents, or other contractual obligations. They should be able to negotiate and progress business effectively at senior levels, coordinating the efforts of other departments and outside professionals.

Salary is negotiable at £9,000 to £10,000 and benefits include those normally associated with international banks. Location central London.

PA Personnel Services Ref: AAS450/FT

The identity of candidates will not be revealed to our clients without prior permission given during a confidential discussion. Please send brief curriculum vitae, quoting reference number to the address below, or write for an application form and advise us if you have recently made any other applications.

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874



A member of PA International

Jonathan Wren Banking Appointments

The personnel consultants dealing exclusively with the banking profession

The following are among our wide range of current banking vacancies:

LENDING OFFICER.....	to £9,000	A.C.A.....	to £9,000
AUDITOR.....	to £6,500	EUROBOND ADMIN.....	to £8,000
F. X. DEALER.....	to £5,500	DOC. CREDITS.....	to £5,000
ECONOMIST.....	to £5,250	ACCOUNTS.....	to £4,500
FINANCE REP.....	to £5,000	EXCHANGE CONTROL.....	to £4,000
CREDIT ANALYST.....	c. £4,000	SALARIES ADMIN.....	to £4,000
F. X. SUPERVISOR.....	to £4,000	GRADUATE.....	c. £3,250

For further details please contact LESLIE M. SQUIRES

Jonathan Wren & Co Ltd, 170 Bishopsgate, London EC2M 4LX. 01-623 1266

OIL PROJECT ANALYST

Our Company is affiliated to a leading U.K. based Petroleum Consultancy and is expanding its operations in the field of economic and financial analysis within the petroleum industry. The company requires an ambitious and responsible individual to join a small but active project team. The applicant will be required to work independently in the detailed analysis of company operations through all spheres of the industry, provide commentaries and forecasts on future developments, evaluate specific projects, mergers and funding programmes.

Qualifications and experience may cover any of the following areas: management accounting, economics, portfolio or direct investment management, corporate finance, taxation.

The principal requirement is for the applicant to be able to devote substantial effort to the development of opportunities for the company in a fast-growing and rewarding environment. An aptitude for statistics, petroleum economics and report composition would be an advantage. Mobility is an important factor, since the applicant may be required to travel from time to time.

Attractive salary commensurate with experience will be offered. Fringe benefits include contributory pension scheme, non-contributory life assurance, group accident and BUPA hospitalisation schemes.

Confidentiality will be applied to all responses which should incorporate complete curriculum vitae and any appropriate references.

WRITE BOX A5932
FINANCIAL TIMES
10 CANNON STREET, EC4P 4BY

MANAGING DIRECTOR. ACCOUNTANT.

Nigeria

As part of further expansion overseas, this division of the London Brick Group which specialises in pre-cast concrete systems building, has formed a new company, Banbury Systems (Nigeria) Limited, based at Kaduna, Nigeria. The Company will manufacture vibrated concrete panels with appropriate reinforcement, light steel and small general framework suitable for modular constructed dwellings.

We are looking for two key men — professionals in their fields — preferably who have a knowledge of the problems and relevant business procedures in Nigeria or the African Continent. Ideally applicants should also have previous experience of pre-cast concrete plus a background in building and contracting.

These challenging positions will be secured on a contract of 1-3 years (negotiable) and salary levels will not be a barrier for the right people. We offer free accommodation and medical care. Free travel on leave between UK and Nigeria. And other fringe benefits appropriate to the individual job.

If you match up please write in the first instance, giving full details of age, experience etc. to:

James B Adnams, Personnel Director,
London Brick Buildings Limited, Banbury House,
Holly Walk, Leamington Spa, Warwickshire.

Area Managers

Britannia Trust Management Limited, one of the leading unit trust management companies in the U.K. with £185 million under management and 280,000 unitholders, requires an Area Manager in each of the following areas:
London/South East England
Manchester
Birmingham/Bristol

Candidates (male or female) should have a sound knowledge of the savings industry in general and unit trusts in particular. Their role will be to develop firm business relationships with professional agents such as insurance brokers, accountants, solicitors and stockbrokers but will not involve direct selling to the public. The successful applicants will be self-motivated, energetic and keen to develop a worthwhile business in their particular areas. They will be provided with a car and receive the usual allowances.

Applications, with full c.v., will be treated in the strictest confidence and should be sent to Mr. J. A. Nichols, Deputy Chairman, Britannia Trust Management Limited, 3 London Wall Buildings, London Wall, London EC2M 5OL.

BRITANNIA TRUST MANAGEMENT

FINANCIAL CONTROLLER

Applications are invited for the post of Financial Controller with this expanding Merchant Bank. The post requires in-depth knowledge of Foreign Exchange and banking techniques as well as above average numeracy. Ideally the successful candidate will be a qualified accountant with some years' bank accountancy and systems experience in a challenging environment. We are looking for an innovator who will enjoy a post which promises great variety, with pressure, but also provides opportunities for initiative and future personal advancement.

Salary range £7,500-£9,000 p.a. plus competitive fringe benefits. Applications, incorporating details of career to date, including present salary, should be addressed to:

Company Secretary,
Standard Chartered Merchant Bank Limited,
33-36 Gracechurch Street,
London EC3V 0AX.

PROJECT ADMINISTRATOR

London c. £5,000

A leading firm of planning consultants requires a Project Administrator for a multi-professional team working on a major town planning assignment. The administrator's task will be to create and maintain a comprehensive control system for staff allocation, work programming, budget control, cost analysis, invoicing and general administration. Applicants should hold a qualification in business administration or accountancy. Experience of project accounting and programming procedures is essential. Please write stating age, qualifications, career to date and present salary to Stuart Greenstreet at:
Collin Buchanan and Partners,
47 Princes Gate,
London SW7 9QR.

APPOINTMENTS WANTED

Rapidly expanding South London based EQUIPMENT LEASING COMPANY is looking for experienced, self-motivated individuals to fill the following senior positions:

LEASING EXECUTIVE
to expand and develop the company's involvement in the underwriting and placing of large and often complex transactions. Essential requirements are ability to negotiate at top level together with a high degree of financial sophistication.

SMALL UNIT LEASING EXECUTIVE
to set up and manage manufacturer schemes for the company and its clients. An in-depth experience of this market is essential plus the capability to devote time to sales and marketing. Both instances require a good basic salary, company car plus an attractive profit sharing scheme and successful applicants can expect to earn a minimum of £10,000 p.a.
Please reply in confidence to Box A.5939,
10, Cannon Street, EC4P 4BY.

DIRECTOR OF AUTHORISED MERCHANT BANK
Aged 58 with unusually wide banking experience in both U.K. and P.A. is seeking an interesting and challenging appointment until retirement where such experience and company integrity are required. Highest references available.
Write Box A.5927, Financial Times,
10, Cannon Street, EC4P 4BY.

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Advertising and ...

JWT's good year

BY MICHAEL THOMPSON-NOEL
IT DOES not quite know why it is not sure how long it will last, but the advertising industry is enjoying a boom. Advertising spending in the first quarter showed a gain of around 35 per cent, and projections for the next few months appear distinctly cheery.

Bailey for Brickman

IN WHAT COULD be a significant move, Donald Bailey, who recently resigned as managing director of Allardice, has joined Frank Brickman Advertising. Bailey is buying a 15 per cent stake in the agency and will become joint managing director with Brickman, who continues as chairman.

NEW-LOOK PACKAGING of Colman's range of mustards is a major feature of this year's promotional activity for the brand, which Colman's is planning to support with the heaviest-ever appropriation—£750,000. Around £500,000 is being spent on three new commercials, one for Colman's English mustard, one for French, and one for the first time—for German.

Paisley expelled by UUU majority

By Richard Evans, Lobby Editor

THE MAJORITY of United Ulster Unionist MPs at Westminster yesterday expelled the Rev. Ian Paisley from the group because of his active support for the Loyalist strike in Northern Ireland.

He made it clear after a group meeting that he and five of his colleagues, including Mr. Enoch Powell, wanted no more links with Mr. Paisley, MP for North Antrim, or with one of his supporters, Mr. John Dunlop, MP for Mid-Ulster.

Two of the original members of the coalition, Mr. James Killeffer and Mr. William Craig, had already left the group on policy grounds some months ago. This means that after three years of uneasy co-existence, the coalition is now split three ways.

At a news conference at Westminster, Mr. Molyneux bitterly attacked the "anti-Parliamentary" actions of Mr. Paisley and Mr. Dunlop in supporting the strike. He claimed that there were groups within the Ulster Unionist Action Council, which is organising the strike, who wanted an independent Ulster.

Chile soccer hospitality ban urged

THE GOVERNMENT should provide "absolutely no hospitality" or official functions for the Scottish football team on its coming tour of South America if it plays in Chile, Mr. Dennis Canavan (Lab. Strathgusky W) demanded yesterday.

PARLIAMENT and POLITICS

Rhodesia mission premature—Owen

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

IT WOULD BE premature at the present time for Britain to open an official mission in Rhodesia to represent its interests, Dr. David Owen, Foreign Secretary, told the Commons yesterday.

Callaghan changed Hansard—Tories

BY JOHN HUNT

THE TORIES alleged in the Commons yesterday that Mr. James Callaghan, Prime Minister, had altered Hansard, the official record of the proceedings of the House, regarding answers he had given the previous day to questions about British aid to guerrilla movements in southern Africa.

Rees proposes improved Dartmoor staff quarters

FINANCIAL TIMES REPORTER

A MAJOR programme of changes to living conditions and standards of comfort for staff at Dartmoor Prison was announced last night by Mr. Merlyn Rees, Home Secretary.

Minister denies U.K. lags in Concorde flights bid

MR. FRANK JUDD, Minister of State, Foreign Office, yesterday rejected accusations that the Government is less determined than the French to ensure Concorde flights to New York.

Canberra crash inquiry

A BOARD of inquiry has been set up into Tuesday's RAF Canberra crash at Huntingdon which killed five people. Mr. Fred Mulley, Defence Secretary, told the Commons yesterday.

opinion in Rhodesia. He pointed out that Britain had to take into account black as well as white opinion in that country. The discussions in Maputo could play an important part in helping towards a peaceful settlement of the Rhodesian question.



The scene in Westminster Hall yesterday as the Queen replies to loyal addresses from both Houses of Parliament, on the occasion of her Silver Jubilee. Seated alongside is the Duke of Edinburgh.

Peers urge progress on human rights

A MAJORITY of States which had underwritten in principle international human rights declarations, did not carry them out, Lord Gladwyn (L.) told the Lords yesterday.

Written Answers

TREASURY: Mr. Barry Gurnley (Lab. Kirkcaldy). What was the total amount of deferred tax allowed to companies in the financial year ended April 3, 1977?

The Foreign Secretary told him that he was neither optimistic nor pessimistic at the moment about the chances of a conference getting under way. The important thing was that momentum should be maintained. These things could not be rushed and it was important to have bilateral discussions with the Americans on the details.

Lord Soper (Lab.), stressed the need for the widest possible publicity, which had often helped persecuted Jews in Russia. There was evidence that changes for the better were taking place in such countries. But he was concerned about the growing cynicism in the world which often derided human rights and public morality.

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Joy in 1975

The Marketing Scene

EDITED BY MICHAEL THOMPSON-NOEL

The boy boom predicted for the mid-1970s never arrived. But the prospect of a demographic middle-age bulge offers its own marketing challenge.

Michael Thompson-Noel reports

Plus factors in the baby slump

THE BABY boom predicted in the mid-1970s never arrived. But the prospect of a demographic middle-age bulge offers its own marketing challenge.

Michael Thompson-Noel reports

THE BABY boom predicted in the mid-1970s never arrived. But the prospect of a demographic middle-age bulge offers its own marketing challenge.

Michael Thompson-Noel reports

over-65-year-old group. At last week's Marketing Society conference in London, Irwin Towers, president of I. M. Towers and company of New York, offered his views on what he sees as one of the most interesting spin-offs of changing age distribution: a budding new market in health self-management, by which he means the consumer's growing care.

"It's difficult to know how many people actually asked their doctor about this. It is very clear, however, that the product maintained its premium position in face of the fluctuating price elasticity usually found in this category."

Another clue to the self-health trend, says Towers, is emphasis on exercise, so that what started

THE FORECAST EUROPEAN BABY PRODUCTS MARKET (Millions of 1976 U.S. \$)

Year	Total Europe	% Change	Pprrty.	Foods	Diapers	Clothes	Furnishings	Contraction
1976*	2,397.5		285.1	185.7	709.4	446.8	281.2	210.8
1977	2,527.4	+5.4	294.3	192.8	734.2	465.9	293.0	224.3
1978	2,629.7	+4.0	303.8	198.5	764.7	517.8	297.2	232.6
1979	2,772.4	+5.5	318.3	206.8	801.2	559.9	306.7	247.2
1980	2,884.3	+4.0	329.8	212.9	827.9	594.1	313.1	258.7
1981	3,038.6	+5.4	345.4	221.7	866.4	640.7	323.0	273.2
1982	3,152.7	+3.8	356.8	228.0	893.5	677.1	329.0	284.6
1983	3,328.5	+5.6	374.1	238.2	938.8	731.2	340.5	300.4
1984	3,498.2	+5.1	392.3	248.5	977.2	783.2	351.5	317.0
1985	3,722.5	+6.7	392.0	248.0	978.3	802.9	348.5	319.4
1986	3,594.1	-3.5	398.9	250.7	995.1	830.9	349.7	326.5

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W.P. TEST TOWNS

need to spend time and money on his own physical well-being. Although Towers' observations have their roots in U.S. experience, there are numerous parallels in the U.K. marketplace.

According to Towers: "As you follow the numbers it becomes clear that the sacred 18-34 age group to which much of our efforts in advertising, promotion and new product development have been directed, has come of age. By the 1980s and 1990s that baby boom will be a middle-age bulge on the American profile, swelling the 35-44 age group by 80 per cent, from 23m. to-day to 41m. by 2000. The median age, which was under 28 in 1970, will be almost 35 in the year 2000—a short 23 years away and not much longer than it takes most companies to approve a new marketing plan. So it does seem reasonable to fix now on what, if any, clues we might have as to their attitudes, aspirations, concerns and physical needs so that we can start to shape the products and services for the next several decades."

Health awareness and self-management, according to Towers, presents one such opportunity. In the age group

under 35, the overwhelming causes of death in the U.S. are accidents, suicides and homicides. But as they pass 35, illness rather than violence takes over, so that the significance of an aging population is that more and more of the market will be susceptible to real or imagined needs about adequate health care.

According to Towers, there are many clues that the population is beginning to take health matters into its own hands. "It is becoming increasingly clear that living a long life is essentially a do-it-yourself proposition and therein lies the opportunity. Dealing only with an ageing population is relatively straightforward. Gerbers started promoting baby food to senior citizens, many of whom were buying it anyway. Levi started to sell sportswear instead of just jeans. The Pepsi generation grew up and rock radio stations started to promote the sale of condominiums. But dealing with a changing health awareness is a little more subtle."

As a good example he quotes the premium-priced cooking and salad oil, Mazola, that produced a booklet for distribution to and by doctors about diet and exercise—stressing, of course, the low-cholesterol aspects of good diet. This was followed by a flag on the product label that invited consumers to ask their doctors about a total dietary programme that included Mazola.

out as the leisure-time market in the 1950s now has people squeezing sport into busy schedules because it is good for their health. As a result, jogging gear, expensive sneakers, tennis and golf equipment, squash clubs and saunas in the home have all become growth products of services.

One of the problems that Towers identifies is the consumer's desire for instant gratification of his needs—hence his search for "the magic bullet, the health equivalent to convenience in foods and appliances that has so dominated the marketing scene in the past 20 years."

As Towers says in summary—and it is a message that is as relevant on this side of the Atlantic as on his—awareness of health self-management is directly related to shifting age patterns within the population, and what was once a specialised need is fast becoming a mass market opportunity. It is a factor that manufacturers as well as marketing men should feed into their future plans, lest they be caught with their nappies down and discover that the baby has grown and forgotten them.

FLEET STREET

The ever-rising Sun

BY WINSTON FLETCHER

"WE HARDLY USE reader research at all," confessed Larry Lamb, editor of the Sun, at a luncheon meeting of the IPA Society.

"We are simply interested in all the things our readers are interested in and we set out to inform, entertain, surprise and provoke them—without ever patronising them." Scarcely a revolutionary philosophy for a popular newspaper, and one with which most tabloid editors could safely be expected to agree.

Unsurprisingly, Lamb suffers no qualms of conscience about having been the bloke who brought big bare bosoms into British breakfasts. "We were born into a permissive society."



prove convincingly that women are not too offended by the notorious nudes. Like most newspaper editors, Lamb is anxious to prove that his paper offers more than just titillation—it has a political conscience and a soul, too. "We are not a populist newspaper," he says. "We were for Health when the nation was against him and we are against hanging despite the fact that the nation is for it. Espousing unpopular causes is not bad for circulation." Remembering Suez, it might take more than Mr. Lamb's pontification to convince The Observer or the Daily Mirror.

What, then, is the explanation of the Sun's spectacular success since Rupert Murdoch bought it from IPC in November 1969 for the historically paltry sum of £50,000? Lamb's answer to the question is again conventionally commonplace: the Sun simply strives for excellence in every section of the paper: "We're the best for crumpet. And we're more respected at Westminster than any other popular newspaper." Well, the first claim is indisputable.

In just seven years under Lamb's editorship, the Sun's circulation has galloped from approximately 800,000 to just under 3.8m. Unquestionably an outstanding achievement in a Fleet Street racked with economic and financial problems and suffering, as Lamb put it "the worst industrial relations in the world."

Yet Lamb insists that the Sun has no formula for success. Indeed, he abhors the idea of a "formula" for a newspaper: "It is the antithesis of what newspapers are about." A pedant might be forgiven for feeling that the constant, invariable appearance of a certain type of photo feature on page three, or the way the Sun stimulates its letters column, are as near to a formula as makes no difference, as are the Sun's television commercials, which Lamb readily agreed were an essential in-

He explained, and the National Readership Survey shows that 123m. readers daily prove him right.

The Sun's readership profile is markedly more recently born than that of its arch rival—47 per cent are under 35, compared with the Mirror's 42 per cent. And the Sun has just about the same proportion of women readers as its competitors (43 per cent against 44 per cent for the Mirror), which seems to

McCurrach comes South

J. M. MCCURRACH, Scotland's biggest food brokers—it claims 3 per cent of the Scottish grocery market—is now operating south of the Border on behalf of one of its major customers, Standard Brands.

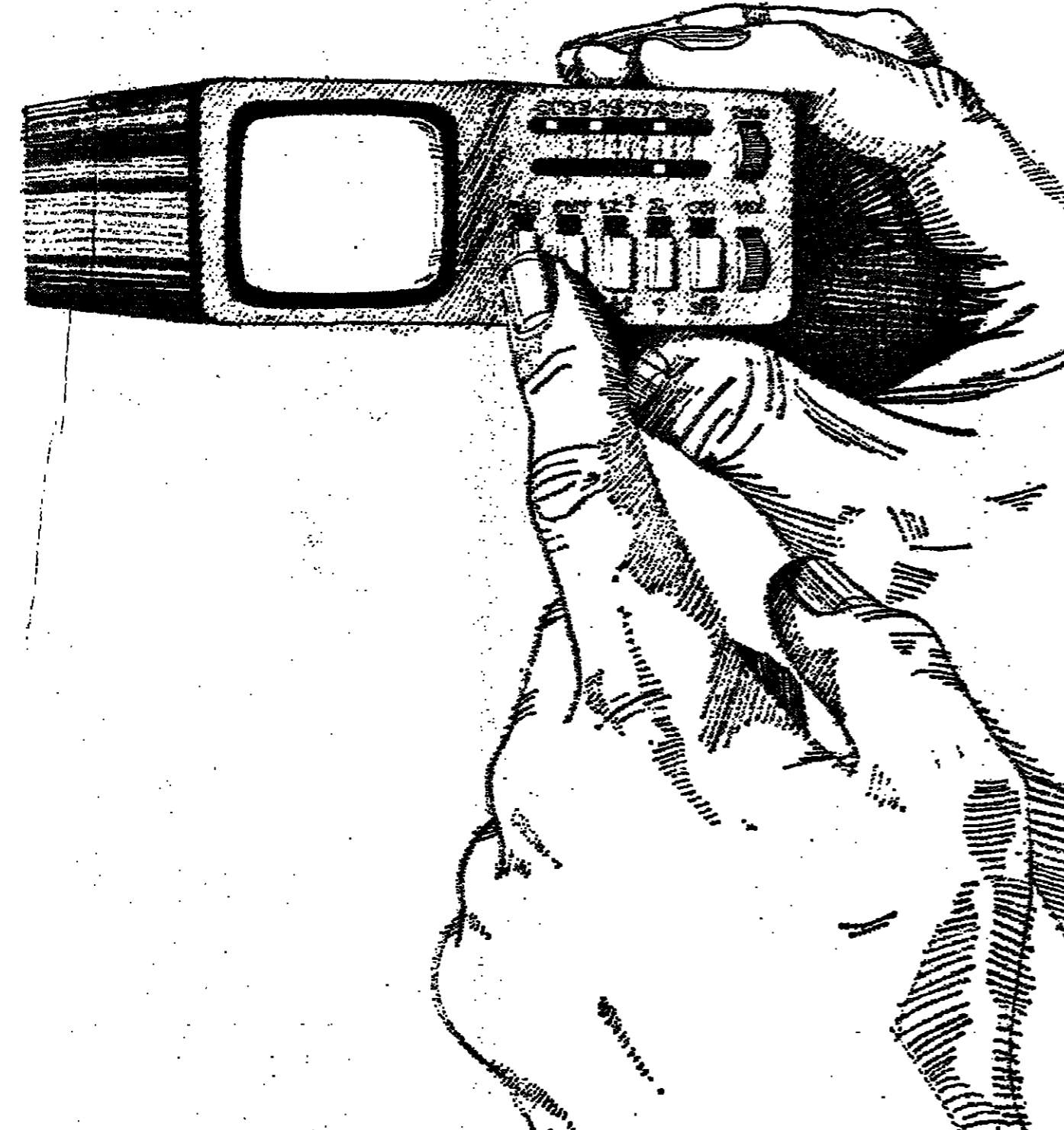
McCurrach's managing director, Archie McNeil, has strong views on the development of food brokerage within the U.K., where escalating overheads are applying increasing cost pressures on national sales forces, but points to a major difference in the way that McCurrach and

its major rivals like Food Brokers and Jenks Brothers operate their businesses. McCurrach deliberately restricts itself to marketing and selling, leaving order-taking, distribution and invoicing to the small but select list of companies it represents. Apart from Standard Brands they are Campbell's Soups, C. Shippam, Barker and Dobson, Del Monte Foods, Nabisco, Granny's Soups (a subsidiary of Campbell's) and Hania the Danish canned meat packers.

According to Mr. McNeil: "Manufacturers are increasingly looking for ways of pooling their resources into one sales force—exactly what we offer without the manufacturer losing control over his marketing and his customers."

"Our job is to help evolve a realistic marketing and sales policy with our principals and then put it into effect. We are judged by our performance which is monitored by the distribution and invoicing undertaken by the companies we represent."

The Japanese would give their eye teeth for it.



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THURSDAY, MAY 5, 1977

The unknown councils

IF PAST experience is any guide, the majority of voters will not take the trouble to go to the polls to-day, when they have an opportunity to elect the members of the 54 county councils, or upper tier local authorities, in England and Wales. Low turnout is a common enough phenomenon in local elections, and it is one to which politicians have become accustomed over many years. Yet the time has come to ask whether this symptom of apathy should be taken more seriously, particularly when it is combined with other symptoms that indicate that the new system of local authorities is not working to anyone's satisfaction.

One of these additional symptoms is also familiar: it is the tendency to regard local election results as measures of the national popularity of the parties represented at Westminster and elected by a quite different process. This tendency has gathered force over the past 20 years, to the extent that yesterday's results in Scotland are being read for what they tell about the likely strength of the Scottish Nationalist, Labour and Conservative parties after a hypothetical general election. If one correlates the voting patterns with other indicators of the national mood, such as the series of by-elections, it appears that many of those who do take the trouble to vote in local council contests are more influenced by their opinion of what the Government is doing than they are by the record in local office of the party that manages their county council.

Frustration
For these reasons alone it might be said that local government, taken as a form of local democracy, is not working satisfactorily—but there are further, more recently developed symptoms that should be noted. Polls suggest that the overwhelming majority of people feel that they do not have any opportunity to influence what their councils do: the failure of most "rate-

Seeking a nuclear compromise

THE PRIME Minister was right to tell the House of Commons this week that "a very careful period of discussion" with the U.S. would be necessary over the Carter Administration's proposals on the reprocessing of nuclear fuel. The proposals as they stand are clearly unacceptable to the U.K. and to other industrial nations, since they seem to imply that the development of the nuclear power industry outside the U.S. will be effectively controlled by the U.S. Government.

Monopoly
Until recently the U.S. has had a virtual monopoly of uranium enrichment capacity. This meant that most of the nuclear power stations operating outside the Soviet Bloc use fuel enriched in the U.S.; the way in which this fuel is ultimately disposed of is subject to bilateral undertakings between the U.S. and the country concerned. The U.S. is now proposing to use the power conferred by these undertakings to restrict severely the right of the country concerned to have the fuel reprocessed: only in exceptional circumstances—for instance, when the reactor would otherwise be closed down—will the U.S. allow the spent fuel to be shipped to a reprocessing facility overseas.

The Americans have for several years been deeply worried about the spread of nuclear technology. The Indian nuclear explosion, the German deal with Brazil and to a lesser extent the French agreement with Pakistan—all these developments have strengthened the American determination to reassert control over the use of nuclear materials. The problem is that other industrial countries are not prepared to make themselves dependent on a single monopoly supplier, any more than they are in the case of oil. They need nuclear power as an increasingly important source of energy and they have invested large sums in building up their own nuclear industries, including, as far as Western Europe is concerned, new enrichment facilities. Moreover, not because most of these countries lack indigenous supplies of uranium, their need for reprocessing and for the fast breeder reactor is much greater than that of the U.S.

A testing time for much criticised building societies

BY MICHAEL CASSELL

BRITAIN'S building societies, having come through a bad winter, once again face the problems of success. They will not, however, escape the unending and inevitable criticism of those who continue to accuse them of undue conservatism and inept management. Yesterday's news that the movement may have taken in a remarkable £300m. in new money during April—a month shortened for them by the Easter holiday—will now bring to a head the rumblings of discontent in some quarters which surrounded the societies' decision, less than a month ago, to announce a compromise cut in their interest rates.

If the April figure is confirmed it will represent a £100m. improvement over the previous monthly receipts record achieved in April, 1975, and will underline the total predominance which the movement now has in the savings market. Earlier this week, the major banks reduced the gross rate paid on their deposit accounts to 4 per cent., while the societies continue to offer their investors nearly 11 per cent. gross and upwards.

The societies' current successes are in stark contrast to their disappointing experiences of a few months ago when high interest rates throughout the economy left them hopelessly uncompetitive and monthly receipts fell at one stage to under £30m.

Because of their current strengths, it now seems certain that the societies will within weeks have to meet again and decide that interest rates should be cut back even further. It will be a move which some societies had wanted to avoid by making one large reduction in the first place, but one which was tended off in the general air of conservatism and caution which tends to surround such decisions.

Even now, however, there will be caution in spite of the outside pressures from Government down. Some societies are already saying that the April shower of receipts is an instant reaction to the sudden drop in bank deposit rates and that the experience is not likely to be repeated this month.

There seems little doubt, however, that the societies in the next few months can, even with a further cut in their interest rates, expect to take in the £350m. a month in new money which they say is required to maintain high mortgage lending throughout the rest of the year and which is their principal concern.

In two weeks' time, the movement meets for its annual conference in Eastbourne and this traditional meeting of the Building Societies Association's Council could this year be used to consider a decision on lower rates. It seems unlikely that the decision can in any case be postponed beyond June.

The societies will take a decision knowing full well that they cannot please everyone—both borrowers and investors—but while current criticism may well centre on their handling of their own interest rates, they face a battle over some aspects of their lending policies as well.

Run-down city areas

At the centre of the criticism is the societies' reluctance to grant loans on homes which may, in themselves, be acceptable but which stand in a poor environment, usually run-down inner city areas. The practice has become known by the American term "red lining" and while the building societies at first generally denied that it existed, they have more recently acknowledged its presence—though only on a small scale—and attempted to explain why it exists at all.

The societies' behaviour has been picked on by some MPs as an illustration of the need for tighter control over the movement's activities. And recently Mr. Peter Shore, Secretary for the Environment, said he would take up any complaints about mortgage refusals in inner cities with the joint advisory committee which provides the monthly forum between the societies and the Government.

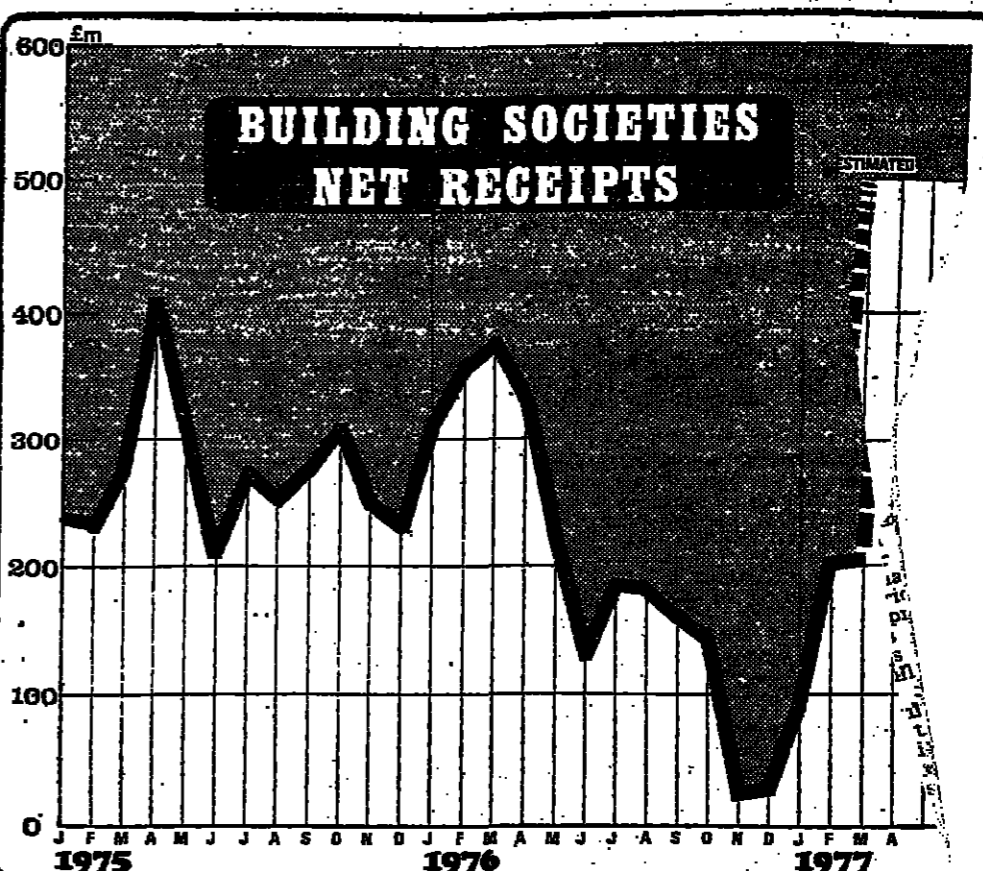
Mr. Shore and his colleagues have more than a passing interest in ensuring that "red lining" is curbed. His Department's recent rethink about Britain's inner city areas has led to a fundamental reversal in policy: Efforts to encourage people and industry to move away from established population centres have, at least partially, given way to plans for injecting new life into urban areas.

The Government believes that the time has come to halt the massive and disproportionate loss of jobs and people from the inner cities by improving housing conditions and stimulating the local economies of these areas, although it has so far been unable to back its "new direction" for inner urban

the industry fence, private and public. Amusing to wonder what the W. H. Smith bookselling family, including the famous William Henry Smith, who as an unlikely First Lord of Admiralty was satirised by Gilbert and Sullivan in *H.M.S. Pinafore*, would have made of it all: they were the original owners of the plush house overlooking the Thames which is the college's home.

Mr. Generous
Armand Hammer, known for the flamboyant style in which he conducts the affairs of Occidental Petroleum, of which he is chairman and chief executive officer, was in London yesterday for a Royal Society art exhibition opening. Hammer was, however, saying much about this week's Securities and Exchange Commission accusation in America that his company spent illegally \$800,000 on political contributions, gifts and entertainment.

The SEC began inquiries following the disclosure that Hammer made an illegal \$54,000 contribution to Richard Nixon's 1968 Presidential campaign. Occidental, without admitting or denying guilt, "consented" to the allegations. Did Hammer have any observations on that business? His physicians had advised him not to attend the SEC hearing, he said yesterday, adding cautiously that "no official or director of Occidental had any knowledge or participation in any way in this complaint."



committed to, and is jeopardising plans for revitalisation of the inner cities. In addition, Shelter says that the scheme under which building societies are attempting to fill the gap left by cuts imposed on local authority mortgage applications is not working out. The societies, it says, are not lending on the type of property or to the type of people which local authorities, when they had the money, were prepared to consider.

Shelter claims that, in the major cities, the percentage of mortgage nominations put forward by local authorities to the societies and being accepted averages less than 50 per cent. and in some parts of London, for example, is down to around 25 per cent. The traditional source of mortgage finance for low income families and those wanting to live in the inner cities has, it claims, been whittled away.

The charge is one which the building societies reject. They say that even the local authorities refused to lend on poor housing and that most of their mortgage finance went on the type of property acceptable to the societies. The difference, they claim, was on the type of applicant involved and the local authorities have lived to regret their liberal attitude towards borrowers.

Mr. Jim Wintour, Housing Policy Officer for Shelter, does not believe all the blame for red lining can be put on the societies. "We recognise that part of the responsibility rests with local councils which have failed to inform building societies precisely which areas have a guaranteed life and which areas may be demolished. We are urging every housing authority in England to set up a regular dialogue with their local building society managers."

"Even so, we feel most of the responsibility rests with the societies. We are not suggesting that loans should be given on houses due for demolition or which are about to collapse. Nor are we saying that loans should be given to borrowers who are manifestly incapable of meeting their repayments. Our suggestion is that houses should be judged on their merits alone and not discriminated against simply because of their location."

The building societies reject any suggestion that central policy decisions are taken which involve a decision not to lend in any given areas. General lending policies must, however, be open to interpretation at local level by respective branch managers who are required by law to work in consultation with a qualified surveyor.

The local team, say the societies, know best and the decision whether or not to lend on property is in their hands. As Mr. Leonard Williams, chief general manager of the Nationwide, puts it: "With the best will in the world there are some parts of some towns where those with local knowledge would have no confidence that properties are likely to maintain their value."

Losing money

"There is no doubt that there are some properties which would be adequate in terms of London, is based, they say, on meeting our requirements and their desire to ensure that the which would attract a mortgage investment of both the purs if they were situated elsewhere. chaser and the society is a good But it is not only the prospect of a society losing its money which keeps us away, we are even more concerned to ensure that the buyer is protected.

"If a property loses its value, then the man who puts his £1,000 down on it is the first to lose out and we are always anxious to prevent this happening. We owe it to ourselves and our borrowers to be certain of each and every transaction we make."

"There are undoubtedly problems surrounding our activities in inner cities but to solve them there must be co-operation between the local authorities and the societies."

A major problem, however, is that many local councils are either unwilling or unable to provide the sort of clear information which the societies need to lift the "veil of uncertainty" from over inner city areas and allow private sector finance to help their regeneration.

This is partly because are often uncertain of their position, the victims of ending vacillations in government policy towards housing and urban development. They have been discussions, however, between the societies and local authorities to see whether a programme of co-operation, feasible, although only limited progress has so far been made.

MEN AND MATTERS

Courtaulds jigsaw

Various if not all pieces of an intriguing jigsaw puzzle concerning Lord Kearnton, his old haunts Courtaulds and the Industrial Reorganisation Corporation, and his present interest, the British National Oil Corporation, seem to be on display yesterday when it was announced that Graham Hearne is leaving merchant bankers N. M. Rothschild for the textile industry.

Hearne, 39, is becoming finance and administration director of Courtaulds from July 1. In the days (until his retirement a couple of years ago) when Kearnton was chairman of Courtaulds, he did occasionally lambast the City's role in industrial life.

But Hearne, though a City man, is on the Board of Kearnton's oil corporation—which is also, to try and complete a little more of the jigsaw, expected to recruit L. R. Croydron, who has been company secretary at Courtaulds.

Hearne agreed last night that "I would surprise me not greatly if Frank Kearnton did not know of my move." Hearne started his career as a solicitor. To broaden his experience outside Britain and his native Birmingham, he spent three years with a Wall Street law practice, one of those institutions which seem to specialise in breeding top American politicians in the case of Hearne's firm the star was Sargent Shriver, the Kennedy brother-in-law.

Press gang

Babel came to St. James's in London yesterday as the world's Press converged on the Government's new £800,000 Press centre seeking accreditation for the weekend's Downing Street summit and the 15-nation Nato summit at Lancaster House which follows.

Well over 200 journalists were lined up, photographed and issued their Press cards in the morning session alone and the queue grew inexorably in the afternoon. The hero of the day was the cockney Commissioner, who advised all those who groaned when they saw the two hour queue to take one of his little numbered tickets, go out and have a cup of tea and come back later.


His patience extended even to the German journalist who wanted to know the average time for each processing, and to the outraged "visiting fireman" from America who uttered what he obviously thought was the ultimate in insults "it only took five minutes in Rome." Could be, but it took over two hours in London yesterday, not counting the inevitable power failure which blocked the "mag-shot" camera.

Fresh life
A doctor friend reports this sign in a suburban garage: "engine transplants carried out here."

Observer

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ECONOMIC VIEWPOINT

BY SAMUEL BRITTON

The model of a modern mercantilist

Copy 1050

Mr. Dell's current surplus... Mr. Dell's current surplus... Mr. Dell's current surplus...

Behind these specific policies... out the consent of the U.K.'s trading partners... Behind these specific policies...

There are also some quotable aphorisms... Burdens are for the weak... There are also some quotable aphorisms...

of David Hume, first of the international monetarists... eventually the pressure group members themselves... of David Hume, first of the international monetarists...



Mr. Edmund Dell: "One's own nation must come first."

Rude shock

But anyone who supposes that Mr. Dell teaches these conclusions through free market economics... But anyone who supposes that Mr. Dell teaches these conclusions...

- 1-Interdependence and a commitment to free trade... 2-The ideal at which to aim would be a principle of balance... 3-Import controls would not help industries...

It must be admitted that the lecture contains many shrewd shafts against governments that preach free trade and practise mercantilism... It must be admitted that the lecture contains many shrewd shafts...

pay an artificially low price for oil, well below the world market level... pay an artificially low price for oil, well below the world market level...

Letters to the Editor

The rate of tax on whisky

From the Chairman, Information and Development Committee... Sir, Liberal Members of Parliament have reaffirmed their determination to vote with other opposition parties against the proposal to increase the whisky tax...

Only more inflation

From Mr. D. Fisher... Sir, At the time when England never had it so good the one thing that mattered was exports...

Average mileage

From Mr. M. Flack... Sir, Your insurance correspondent, in commenting upon the SENTRY motor insurance survey...

Bricks are useful

From Mr. M. Peck... Sir, Mr. William Bricker's article (May 3) on The Bricks at the Tate is illuminating and, rightly, constructive...

Make industry understood

From the Managing Director, Collyer Marine Electronics... Sir, Recently I attended my daughter's school for a discussion with the staff on her future career...

A measure of wealth

From Mr. P. Shearer... Sir, Mr. B. Rutherford's arguments against the use of the ratio added value/employee costs as a measure of labour efficiency...

Privileged position

From the Chairman, Jack White Enterprises... Sir, I read with some interest Dr. David Carrick's article on executive health in your issue of May 2...

Ambitious but cramped

From Mr. G. Simon... Sir, The opinion survey to which Mr. Anthony Harris refers (April 25) which is said to compare the British as an unambitious race is difficult to believe when one considers that people actually behave and think in a far more ambitious manner...

Mortgage rates

From the Secretary General, C Building Societies Association... Sir, Lombard suggested (May 2) that the building society rates of interest were currently too high...

Tax on overseas earnings

From Mr. B. Dodd... Sir, Can Mr. Rickard (May 2) say why the normal business day trip into Europe should count towards qualification for taxation relief?

Costs of audio-visual aids

From Messrs. A. Lambert and H. Neussam... Sir, In her article 'Impressions on celluloid' (May 2) Sue Cameron gives a clear and comprehensive survey of film and other audio-visual aids in commerce...

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S. Pearson sees further rise

EARLY RESULTS for 1977 throughout the S. Pearson and Son group have shown a promising increase and provided this trend continues Viscount Cowdray, chairman, expects another worthwhile improvement in profits.

In general, members are told in the annual statement, he expects the group to continue to grow during the next few years. It has ample resources available for the further development of the existing business and for new investment opportunities.

In its merchant banking activities through Lazard Brothers the current year has begun with all departments working at the higher levels which began to emerge towards the end of 1976.

At Doulin and Co., the chairman says that continuing large capital investment programme should place the group in a stronger position to meet international competition and demand in the future.

As reported on April 21, pre-tax profit for 1976 improved from £25.02m. to £28.38m. Excluding associates, the estimate of the cost of sales adjustment would have reduced this figure by some £5.95m. and the depreciation adjustment would have further reduced it by around £0.8m. Total reduction of about one-third.

Overall, the group earned 55 per cent. (41 per cent.) of its profit outside Britain and this figure does not include the substantial revenue from overseas visitors buying china, books and other products in Britain.

During the year the company sold to Inchcape and Co. its 83.4 per cent. interest in the Bain Dawes group of insurance brokers. The cash part of the pro-

P & O annualised profits surge 71% to £31.1m.

PROFIT before tax of P&O in respect of terminal losses on discontinued activities. After tax up from £9.85m. to £27.4m. net profit increased from £12.87m. to £31.28m.

On an annualised basis, this represents a 71 per cent. increase in pre-tax profit (from £18.18m.) and a 17 per cent. increase in turnover (from £835.27m.).

Started earnings per £1 deferred stock increased from 9.9p to 16.1p and the net final dividend is 3.35742p making a total for the year of 5.85742p (6.55617p for 15 months) at a cost of £3.28m. (£3.4m.).

In their interim report for the half-year to June 30, 1976, the directors said that the pre-tax profit of £13.3m. was in line with the view expressed by Lord Inchcape, chairman, in his statement accompanying the accounts for the 15 months to December 31, 1975, that 1976 would see a reversal of the declining profit at £170,906.

Full year's profit is after credit net profit on sales of ships of £2.3m. (£7.4m.) and after charging provisions of £12.8m. of which £8.1m. relates to development properties (£8.7m. charged against profit, £1m. charged in extraordinary items) and £4.7m. to advances by Twentieth Century Banking Corporation (nil charged against profit; £5.5m. charged to reserves as pre-acquisition).

Extraordinary items include net surplus of £8.7m. on sales of the properties and a charge of £4.2m.

ment is keeping a close watch on the situation.

So says Mr. K. R. Murdoch, chairman of News International, in his annual review to shareholders.

On the provincial newspaper side, trading conditions since the year-end have improved and higher revenues have brought a satisfactory increase in profits for the first quarter.

The chairman says that forecasts for newspaper consumption for 1977 show a further weakening in the market due to the general economic situation, and the increase in newspaper prices.

As known, trading profit for 1976 rose from £2.72m. to £13.74m. before share associates up from £0.72m. to £1.88m.

U.K. printing and publishing contributed 68.1 per cent. of trading profit.

News Ltd. of Australia, owns 48.25 per cent. of the equity.

Meeting, Saddlers Hall, EC, May 27, noon.

Towles earns and pays more

FOR THE year to March 19, 1977, manufacturers of hosiery and knitwear Towles reports pre-tax profits ahead from £30,842 to £463,776 on turnover up from £5.09m. to £5.88m.

Earnings per 10p share are up from 6.85p to 8.85p and the dividend is stepped up from 1.8744p to 1.5118p net.

After tax of £241,356 against £178,434 the net balance emerges at £222,420 compared with £170,906.

4m. forecast for Sun newspaper

Given a period of stability there is no reason why the net sale of The Sun newspaper should not exceed four million copies a day, says the chairman of the Sun newspaper group.

Continental Union ahead

Gross income of Continental Union Trust in the year ended March 31, 1977, rose from £1.18m. to £1.37m. After tax £400,908 (£335,585), etc., net revenue came to £373,949, against £499,428.

Earnings per 25p share are shown at 3.45p (2.85p). The final dividend is 2.05p for a net total of 2.85p (2.30p).

Warne Wright Group

The Chairman, Group Captain J. P. Cecil-Wright, D. L. writes:

The year 1976 was one of success achieved against a background of frustration and obstruction. Shareholders and employees have alike received, as a reward for confidence and effort, the maximum increases allowed by government regulations. We carried forward to 1977 a splendidly overflowing order book in nearly all companies, and it is sad that only a grave shortage of skilled men and potential trainees prevented us from making the last quarter of last year an all-time record.

	1976	1975
Turnover	£16,036,594	£12,954,030
Surplus before Taxation	£1,258,438	£1,111,595
Net Surplus	£586,458	£520,502
Dividends	£159,391	£145,142
Earnings per 10p Ordinary Share	8.400p	7.449p

Warne, Wright & Rowland Ltd. Keeley Street, Birmingham B9 4HP

Good start to 1977 at Pearson Longman

NEWSPAPER COMPANIES at Pearson Longman have made a good start in the present year, reports Lord Gibson, chairman, in his annual statement.

Current economic conditions in local authority expenditure are having some adverse effect on the home market for educational books but his should be more than offset by the growth in overseas markets—book publishers expect another good year, he adds.

As reported on April 21, pre-tax profit for 1976 more than doubled from £9.85m. to £18.57m. Excluding associates the directors estimate that the cost of sales adjustment would have reduced this figure by some £1.9m. and the depreciation adjustment would have further reduced it by around £2.3m.

In 1976 Pearson Longman's fortunes took a marked turn for the better—the newspaper businesses, after a difficult spell in the two preceding years, regained some of their former prosperity; and the major book publishing businesses, Longman and Penguin, made further progress, especially overseas, and once more achieved record profits.

The results are better than were foreseen in the early months of 1976. In particular, the Longman Group benefited from its wide involvement in overseas markets, most notably in Nigeria. Moreover, Longman and a lesser extent Penguin derived one financial benefit from the decline in the value of sterling.

The newspaper businesses benefited from better revenues, a total 17 per cent. higher than in 1975; and because they were able to hold the increase in total costs to around 11 per cent. their profit returned to a more normal level.

Although the Financial Times has been able to achieve a material increase in its revenues from overseas, newspapers generally remain dependent on the state of the home economy. Their margins are too fine for comfort, and Lord Gibson states:

The directors are conscious of the impact of the selling rate greater than the rise in the retail price index and it is gratifying that the volume of sales has often only modestly increased. Nevertheless, if the trend is to be halted, the company must find means of controlling the steady rise in costs. In this connection they are disappointed by the reception given to the scheme put forward jointly by management and trade union leaders for the introduction of new computer-based technology into national newspapers which could be of particular benefit to the Financial Times.

Referring to freedom of the press, Lord Gibson says he believes that any drastic charter is bound to impair the freedom of the Press as this term is under-

CLRP Investment moves ahead

Net revenue before tax advanced from £0.17m. to £0.19m. for CLRP Investment Trust in the half year to February 28, 1977. Gross income was better at £0.36m. against £0.25m.

The net interim dividend is limited to 0.5p per share. Last year payments totalling 1.5p were paid from revenue of £0.45m.

With investments at half year totalling £12.65m. (£12.29m.) net assets value per share was up 0.5p at 73p, including 1.5p (1.8p) representing investment currency premium and 3.5p (3.3p) tax liability.

N. Atlantic Securities up £73,000

On gross revenue up from £0.42m. to £0.49m. North Atlantic Securities Corporation increased pre-tax profit by £72,942 to £44,573 in the six months to March 31, 1977.

Net profit emerged at £208,576 (£170,965). A net interim dividend of 0.5p per share has already been announced for 1976-77.

Sainsbury's progress in 1976-7

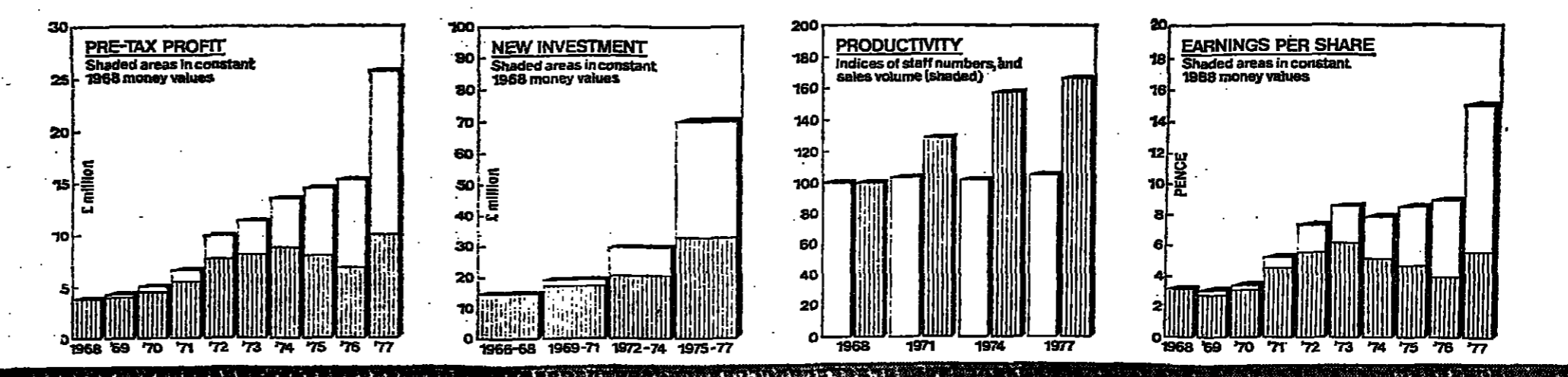
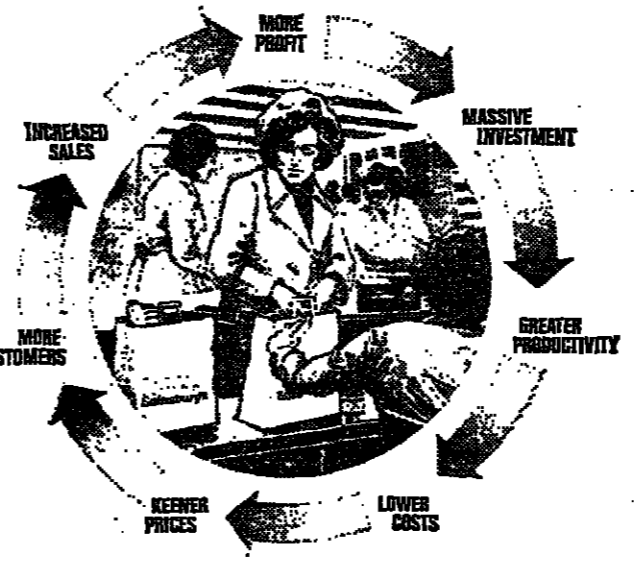
Major investment programme leads to greater market share.

- * "Sales during 1976-7 increased by 22.1% to £664 million, and profits before tax increased by 70% to £26.2 million.
- * "During a period of acute inflation it is particularly pleasing to record that over the year, food prices in our stores went up less than those of the trade as a whole.
- * "Customers were not slow to recognise our improved price advantage and we enjoyed a significant growth in market share and in numbers of customers visiting our supermarkets.
- * "Our results were made possible by greater efficiency combined with the benefits from massive investment. We have invested £70 million in the last three years from our own resources, and this year have reduced borrowings substantially.
- * "Over three years the number of customers we serve each week has increased by 22% while the number of staff has increased by only 3%.

	1977 £000	1976 £000
Turnover—includes VAT £10.9m (1976 £8.7m)	663,776	543,443
Profit before taxation	25,303	15,372
Retailing—net margin 3.81% (1976 2.83%)	879	45
Associated Companies—share of profit	26,182	15,417
Taxation	13,687	8,018
Profit after taxation	12,495	7,399
Extraordinary items	909	717
Surplus	13,404	8,116
Earnings per share		
Before extraordinary items	15.07p	8.92p
After extraordinary items	16.16p	9.79p

J Sainsbury Limited, Stamford Street, London SE1 9LL

- * "Looking back over three years, our profit growth of 92% becomes a growth in real terms allowing for inflation, of an average of only 4% per annum despite our investment of over £70 million. This should be compared with our growth over 25 years of an average of 9% per annum.
- * "In the food trade the most competitive prices—the best value for the customer—are to be found in companies earning a higher profit than their industry's average. We are not the only example in our trade of the lower the prices, the better the profit."
- * "It seems possible that the next phase of Prices Legislation could mean that commerce and industry will be under constant threat of investigation to check whether companies are operating in accordance with well intentioned but unquantified criteria. The danger of misuse of this unprecedented power to intervene for short term political purposes is, I believe, sufficient to cause considerable concern."



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J SAINSBURY

Extracts from the Statement by the Chairman, Mr. M. J. Babington Smith, at the 110th Annual General Meeting held in London on 4th May, 1977.



Ottoman Bank

Incorporated in Turkey with Limited Liability

Monsieur Tate, who had been a Member of Committee since 1966, died in January of this year.

Monsieur Hubert de Saint-Amand has been nominated to fill this vacancy. He is a Member of the Management of the Banque de Paris et des Pays-Bas...

Monsieur Resad Aksan retired as General Manager in Paris on the 1st April of this year, after 24 years in that post.

We have continued our talks with the Turkish Government, on the basis of the principles which we have explained to you in recent general meetings...

In the framework of the Convention which still governs them our branches have been able to increase their activities in a satisfactory manner...

HOTEL PROJECT - ISTANBUL INTERCONTINENTAL. The Intercontinental Hotel opened for guests on 1st May, 1976...

SOCIETE NOUVELLE DE LA BANQUE DE SYRIE ET DU LIBAN. In spite of the very difficult circumstances, the Bank was able, throughout this period, to maintain some activity...

BANQUE DE TEHERAN. The activities of the Banque de Téhéran, in which we have a holding of approximately 10%, continued to develop satisfactorily in 1976...

TURKEY. There was a slight fall, from 7.9% to 7.2%, in the rate of growth of the Gross National Product during 1976.

The growth rate of the agricultural sector was in line with the programmed objectives.

Foreign trade figures of the country were: Exports \$1,960,000,000 in 1976 compared to \$1,401,000,000 in 1975...

Remittances by Turkish workers abroad fell from \$1,312,300,000 in 1975 to \$982,700,000.

Tourism is steadily improving: 9% more tourists visited the country than in 1975.

As for the balance of payments, there was a deficit of \$2,254,000,000 covered by short and medium-term borrowings.

The Central Bank's buying rate for Sterling, which was TL 31.052 at end 1975, was TL 26.40 at end 1976.

BALANCE SHEET. Our business has once again shown an increase in all fields, particularly in Turkey. The figures in the Balance Sheet are also augmented by the depreciation of the Pound Sterling...

PROFIT AND LOSS ACCOUNT. You will see from the Profit and Loss Account that the 1976 profit was \$1,976,000 as against \$1,289,000 in 1975, an increase of 53%.

The Balance available is \$1,390,904 and from this your Committee recommend the payment of a dividend of £2.50 per share requiring £1,250,000.

Babcock & Wilcox outlook

MAINTENANCE of the existing level of profitability at Babcock and Wilcox is largely dependent on an early recovery from the present world economic recession.

Mr. John King, chairman, tells members in his annual statement that there are no indications that such a recovery is imminent...

The chairman does not expect that there will be a material exchange rate profit in 1977.

As known, pre-tax profit for the year ending 31st March 1977 was \$24.1 million, compared to \$21.7 million in 1976...

Capital expenditure sanctioned for 1977 is \$14.7 million, compared to \$12.6 million in 1976...

During the year bank overdrafts increased by \$14.1 million, compared to \$11.8 million in 1976.

Chairman's statement, Page 51

Samuelson soars at midway

AFTER depreciation of \$210,000 against \$180,000 pre-tax profits of Samuelson's five stores for the six months to February 1977, sales jumped from \$175,000 to \$483,000 - already in excess of the 1976 total for the whole last year.

The interim dividend is 5p (nil) net per 20p share and has been waived in respect of 220,356 shares...

The directors' report that demand for the company's services continued to be strong until end of November 1977 at internal figures a second half sales of \$4 million indicate that there has been a tailing off...

Discussions, announced at the beginning of December, which might lead to a cash offer on behalf of the Samuelson family interests are continuing but due to technical problems involved it may be some weeks before it will be possible to issue a comprehensive statement.

Sainsbury soars 70% to £26m. and cuts borrowing

Through greater efficiency and heavy investment food retailers J. Sainsbury lifted taxable profit by 70 per cent to a record £26.1 million on sales 22 per cent ahead at £683.78m. in the year to March 5, 1977.

Food prices in the company's stores went up less than those of the trade as a whole during the year. After allowing for these increases the growth in volume sales was about 5.5 per cent.

The company plans to open seven new supermarkets, totalling 0.14m. square feet, including two chains of town stores at Coventry and Southampton, and a hypermarket during 1977-78.

Mr. Sainsbury points out that over the past three years £70m. of the company's own resources have been invested in expansion and improvement and expansion borrowing was substantially reduced.

Stated earnings per 25p share were, before extraordinary credits of £0.91m., £0.72m. (£0.73p) (£0.82p) and after £1.69p (£0.97p) (£1.32p) (£0.97p).

A recent revaluation of the pension fund indicates that the current level of contribution by employees is adequate but the directors have considered it prudent to set aside a further £1.35m. in the present accounts to cover recent increases in provisions paid.

Ten new supermarkets with a total sales area of 0.19m. sq. ft. were opened during 1976-77, including the company's first hypermarket at Exeter.

Allowing for store extensions and the closure of two of its smaller out-of-town units, the net increase in supermarket sales area was 7.5 per cent...

Supermarkets opened during 1976-77 were, by year end, achieving increases in sales of over 75 per cent, even in new trading areas which are noted for their highly competitive conditions, the chairman says.

Sales, which were also shown by the freezer centres, 16 new centres, or freezer departments were opened 14 of them within the sales areas of super-

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerns are interim or final and the sub-divisions shown below are based mainly on last year's timetable.

Table listing Board meetings for various companies including Anglo-Saxon, Anglo-Thai, Anglo-Tanquer, Anglo-Trust, Anglo-Wholesale, Anglo-Wholesale, Anglo-Wholesale, Anglo-Wholesale, Anglo-Wholesale.

Photax depressed by £26,000

Increased overheads and an adverse exchange rate on imported goods affected the taxable profit of Photax (London) in 1976. It slipped to £0.3m. against £0.32m. on sales up from £3.53m. to £3.64m. Mid-year profit was £0.15m. on sales of £0.31m. and sales were 10 per cent lower.

The current year has started reasonably well with sales improving and the new Yachica camera to replace an earlier best-seller is expected to be a very acceptable replacement, says Mrs. E. L. Jacobs, the chairman.

Stated earnings per 25p share were 7.37p (7.61p) and a net final dividend of 1.25p lifts the total to 2.44p (2.21p).

The installation of an injection moulding plant at the Eastbourne factory has already proved very successful, enabling the company not only to have a better flow of components to the assembly areas but also to raise profitability of the products in which they are used. Investment in this plant now exceeds £50,000.

Sales (ex VAT) 3,662,376 1,302,217 Directors' emoluments 47,585 44,106 Bank interest 31,700 45,066 Interest 4,092 10,282

Table showing financial data for Photax, including sales, emoluments, interest, and dividends for 1976 and 1977.

MONEY MARKET Signal on interest rates

Bank of England Minimum Rate was cut to 4.5 per cent (from 5 per cent) on April 28, 1977. Day-to-day credit was in short supply in the London money market yesterday, and the authorities took the opportunity to convey a signal to the market on interest rates.

The Bank of England gave a large amount of assistance, partly by way of lending a moderate amount overnight to two or three discount houses of the City of London. Banks carried forward run-down balances, there was a modest net market take-up of Treasury bills to finance revenue payments several days to the same number of houses, and this was meant to convey that the authorities are looking for some caution in relation to the Treasury tender on Friday.

Table showing interest rates for various instruments: Sterling Certificates of Deposits, Interbank, Local Authority deposits, Local Authority bonds, Finance House Deposits, Company deposits, Discount market deposits, Eligible Bank Bills, and Fine Trade Bills.

Local authorities and finance houses seven days' notice, others seven days' fixed. *Longer-term local authority mortgage rates nominally three years 11-12 1/2 per cent; four years 12-13 per cent; five years 12-13 1/2 per cent; six years 13-14 per cent; seven years 13-14 1/2 per cent; eight years 13-14 1/2 per cent; nine years 13-14 1/2 per cent; ten years 13-14 1/2 per cent.

WHSMITH WH. Smith & Son (Holdings) Limited Results 1976/77

Table showing financial results for WHSMITH: Sales £324 million (up 22%), Profit before tax £15.6 million (up 39%), Earnings per £1 share 42.0p (up 47%).

For copies of our Annual Report & Accounts and a Special Issue of our staff newspaper 'Newslink', with fuller details of the year's results, please write to the Company Secretary at Strand House, 10 New Fetter Lane, London EC4A 3AD.

Advertisement for WHSMITH featuring a 'Newslink SPECIAL' coupon and details about the company's expansion and financial performance.

Large advertisement for Grattan featuring the slogan 'Profitable Growth' and details about the company's financial performance, including sales of £148.5 million (up 13.8%) and earnings per share of 12.72p (up 19.0%). It also includes a section for 'Turning to Prospects for the Current Year' and a 'Special Issue' coupon for Newslink.

Orders up at Tilbury Contracting

BETTER FIGURES are expected from estate developed by Tilbury Contracting Group in 1977 but a return to satisfactory profitability will not be realised until 1978. Mr. P. Edge-Partington, the chairman, says in his annual statement.

He also reports that construction orders were up 12 per cent, and mechanical services division orders 15 per cent at the beginning of the current year.

As reported on March 31, taxable profit for 1976 fell from £2.05m. to £1.84m. on turnover better at £21.09m. (£20.81m.). The net dividend is 17.91745 (16.3311p). Net liquid funds decreased 20.4m. (up £1.2m.) with cash balance down £0.26m. (up £1.82m.) to £2.2m.

The chairman notes that stock appreciation relief will during the year operate to the company's advantage with £0.7m. corporation tax liability being deferred. But he stresses that while present rules subsist, there is a real possibility that this sum will become payable in a future year.

Recent cut-backs in local authority spending on roads will mean that extremely competitive conditions can be expected in the current year for the road surfacing division. For the plant hire, sales and service division, which advanced profit 20 per cent on higher turnover in 1976, similar figures seem possible and its plant fleet is being improved in anticipation of an eventual upturn in the home market.

Warne Wright looks overseas

With the home market stagnant it is abroad that faster manufacturers, drop forgers and engineers Warne, Wright and Rowland is looking to improve its already overflowing order book. Mr. F. Cecil Wright, chairman, explains that had it not been for a shortage of skilled men and potential trainees the final quarter of last year would have resulted in the conversion of the good order position into record profits. In fact, as well as in inflationary conditions.

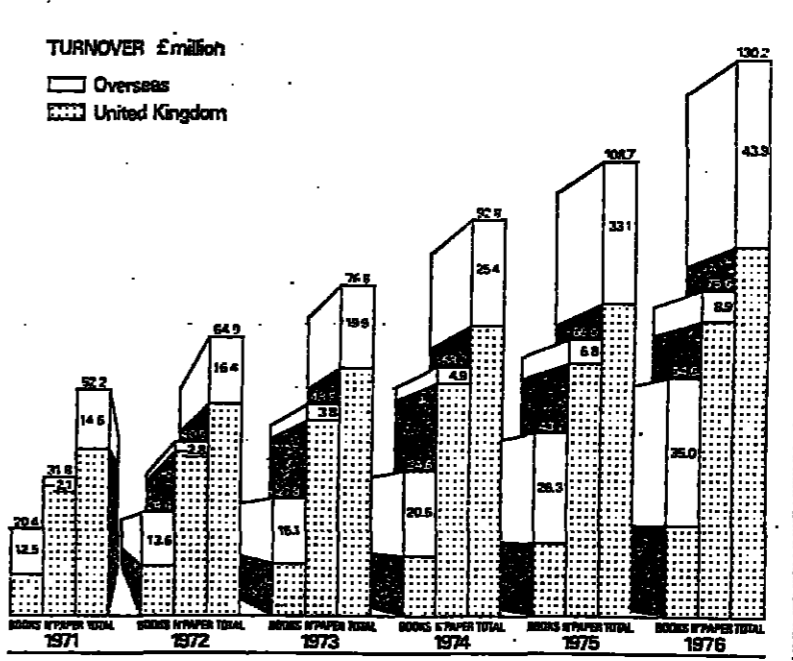
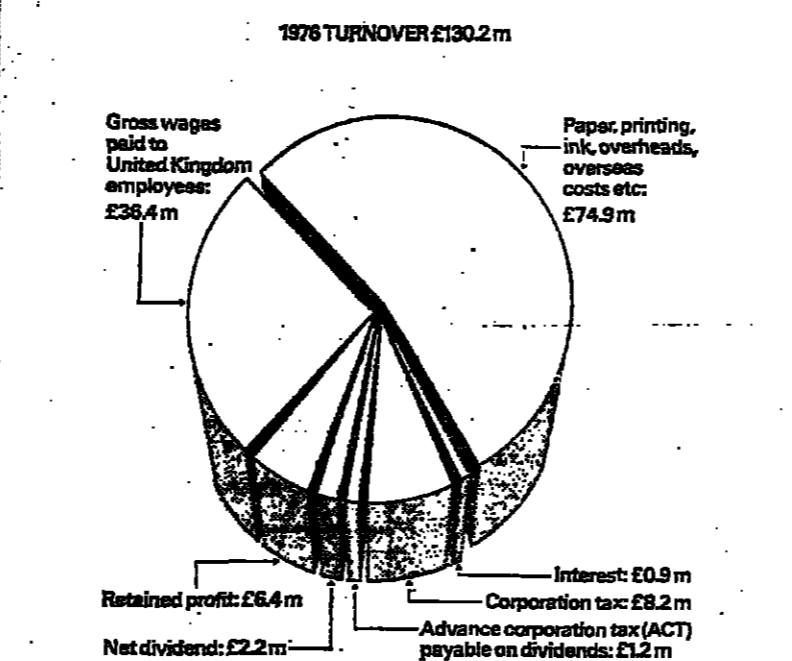
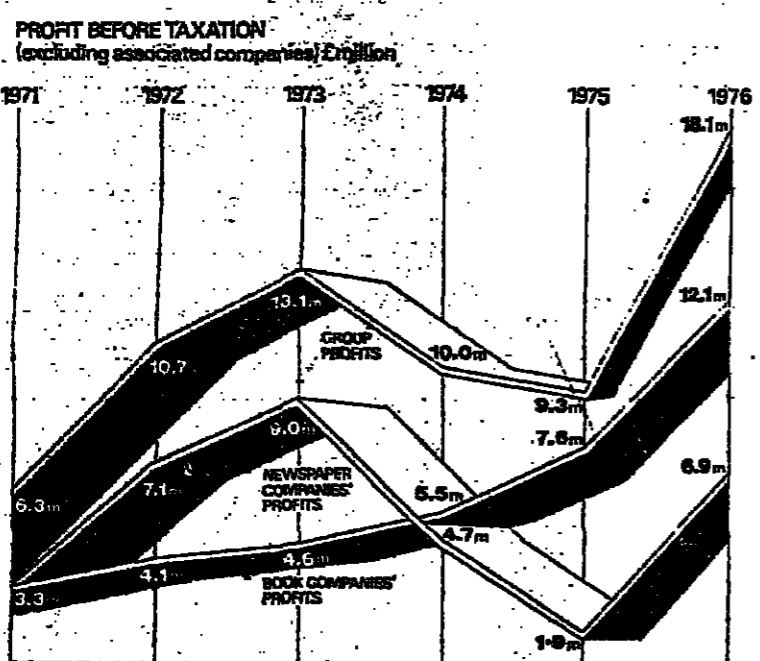
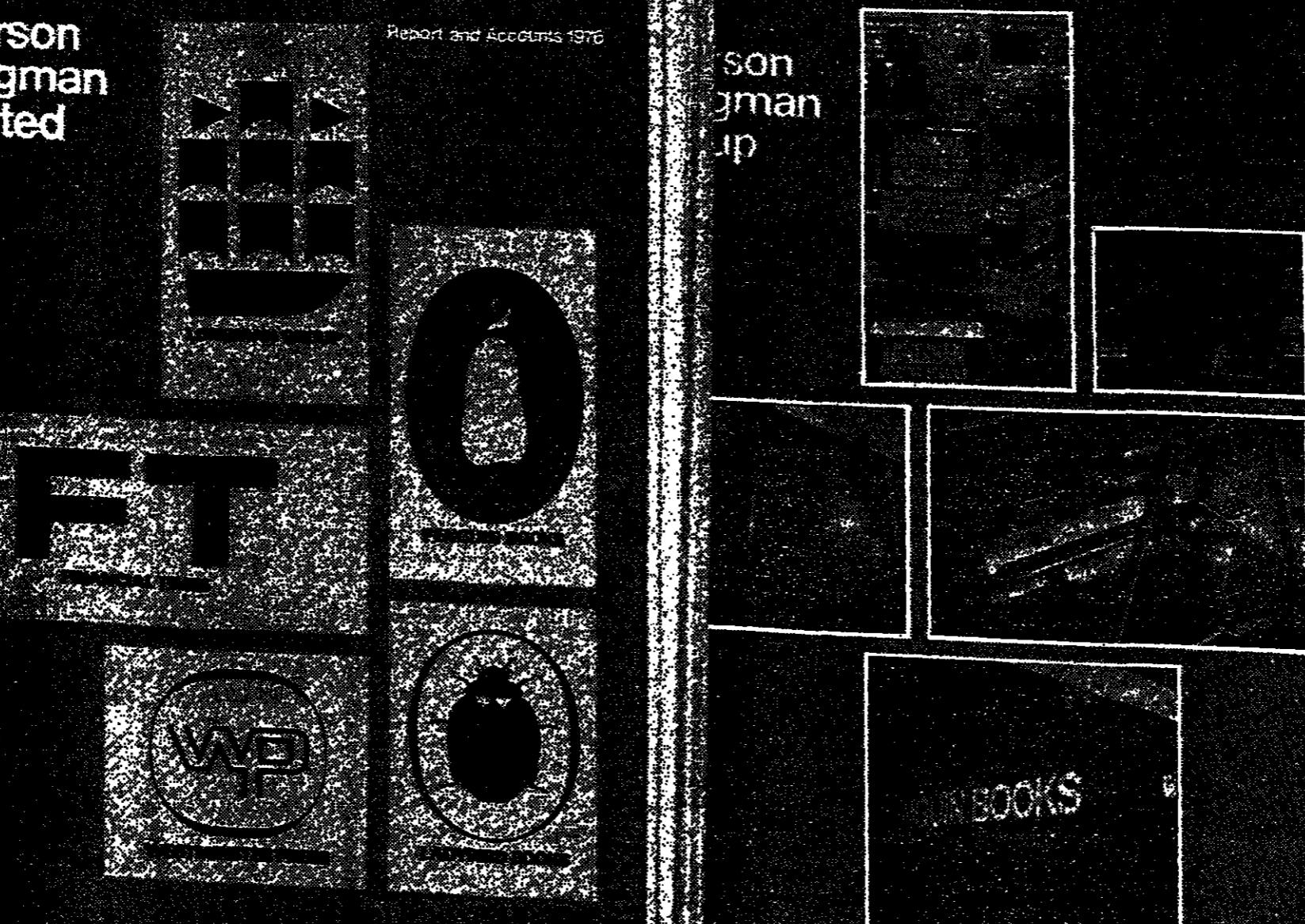
As already reported, pre-tax profits for the whole of 1976 expanded from £11m. to £12.8m. Short-term shares issued in December 31, were up from £250,000 to £300,000 but the chairman says that pre-price rise purchases of steel accounted for much of this, together with the fact that the year-end coinciding with the extended Christmas holidays caused the company to find itself financing customers for those few extra days that carried over year-end date. Nearly £200,000 had been pre-paid for delivery of new plant which shortly afterwards was financed by leasing or hire purchase, so that the situation shown in the balance sheet is not exactly typical.

Joy 1250

Pearson Longman Limited

Report and Accounts 1976

son gman ip



Pearson Longman Limited

"A marked turn for the better"

Salient comments from the statement by the Chairman, Lord Gibson

In 1976 Pearson Longman's fortunes took a marked turn for the better. The newspaper businesses, after a difficult spell in the two preceding years, regained some of their former prosperity and our major book publishing businesses, Longman and Penguin, made further progress, especially overseas.

Group profit

The group profit before interest and tax, £19,075,000, is the highest yet recorded. The profit after tax and minorities but before extraordinary items was £9,013,000, compared with £4,618,000 in 1975, an increase of 95 per cent.

The Longman Group benefited from its wide involvement in overseas markets, especially in Nigeria. Moreover, Longman and to a lesser extent Penguin derived some financial benefit from the decline in the value of the pound sterling.

The newspaper businesses benefited from better revenues, in total 17 per cent higher than in 1975. Although the *Financial Times* has been able to achieve a material increase in its revenues from overseas, newspapers generally remain dependent on the state of the home economy. Their margins are too fine for comfort.

Our ability to recover cost increases is not unlimited. Of late newspaper selling prices have been going up at a rate greater than the rise in the retail price index. If the trend is to be halted we must find means of controlling the steady rise in costs. In this connection we are disappointed by the reception given to the scheme put forward jointly by management and trade union leaders for the introduction of new computer-based technology to national newspapers, which could be of particular benefit to the *Financial Times*.

Pearson Longman brochure

This year we have decided to produce an illustrated brochure describing in words and pictures the activities of the companies in the group. We feel that this will be appreciated not only by

shareholders but by many other audiences who have an interest in what is undoubtedly one of the most important and successful publishing groups in the English-speaking world.

Highlights from the 1976 Report

	1976 £ million	1975 £ million
Turnover	130.2	108.7
Profit before interest	19.1	10.9
The company and its subsidiaries	18.1	9.3
Associated companies	1.0	1.6
Profit before taxation	19.8	9.9
Taxation	10.3	5.1
Profit after taxation	9.5	4.8
Dividends	2.2	2.0
Profit retained and added to reserves	6.9	1.9
Earnings per ordinary share	21.810p	11.148p

Dividends

In order to reduce the disparity between the interim and final dividends, the interim dividend on ordinary shares paid in November 1976 was raised to 1.75p per share as compared with 1.4p per share for the previous year. The directors have declared a second interim dividend of 3.610p per share for 1976, thus bringing the total dividends for the year declared to date to 5.360p per share. Inclusive of tax credits, the dividends declared to date amount to 8.246p per ordinary share as compared with total dividends for 1975 of 7.497p per share, an increase of 10 per cent. Shareholders will be asked at the annual general meeting to declare a final dividend for 1976 payable only if the rate of advance corporation tax for 1977/78 is reduced of the amount necessary to maintain total gross dividends for 1976 at the maximum permitted of 8.246p per share.

Prospects

The newspaper companies have made a good start in the present year. Current economies in local authority expenditure are having some adverse effect on the home market for educational books but this should be more than offset by the growth in overseas markets and our book publishers expect another good year.

Employees

I should like to conclude by thanking all those who are employed in the group. I am still concerned that those in management and those with special skills cannot under present rules be given the increased rewards which their efforts deserve. There is an urgent need throughout industry for the reintroduction of proper incentives for responsibility and performance.

The Annual General Meeting will be held in the Vickers Conference Suite at Millbank Tower, Millbank, London SW1P 4QZ, on Friday, 27th May 1977 at 11.30 a.m.



FINANCIAL TIMES WESTMINSTER PRESS LONGMAN PENGUIN LADYBIRD BOOKS

To: The Secretary, Pearson Longman Limited, Millbank Tower, Millbank, London SW1P 4QZ
Please send me a copy of the 1976 Report and Accounts and the Pearson Longman brochure.

Name _____
Company _____
Address _____



Strong new business in 1976.

The One Hundred and Fifty Third Annual General Meeting of the Clerical, Medical and General Life Assurance Society will be held on 7th May 1977 at the principal office of the Society, 15 St. James's Square, London, SW1. Sir Robert Black, GCMG, OBE, the Chairman, will make the following Statement in moving the adoption of the Report and Accounts.

It is with pleasure that I report, once again, substantial new business figures for the Society.

Total new annual premiums, including those received on pension business, amounted to £9.5 millions, an increase of 12% on 1975. Single premiums received were £6.6 millions, compared with £9.5 millions in the previous year.

Total new sums assured, including group life business, were in excess of £280 millions.

The number of new ordinary life policies written was again a record figure and showed an increase of 11% over 1975.

In the latter half of the year, we introduced our "Repeater" Policy, a 10-year endowment assurance which at maturity can be renewed irrespective of the policyholder's state of health. The policy, which provides attractive terms for the continuing investment of savings, has had an excellent reception.

We have also recently introduced special options for those new and existing policyholders who use one of the Society's policies for the repayment of a house purchase mortgage. These options make it possible, in most circumstances, for policyholders to adapt their policies to changes in their mortgage liabilities regardless of their state of health.

The Society's Personal Financial Planning business continued to be very active, and new sums assured and premiums of policies resulting from this highly specialised service have been considerable.

The new commission agreement for ordinary life business, to which all members of the Life Offices' Association and the Associated Scottish Life Offices were parties, came into effect on 1st October 1976. We welcome both the removal of anomalies and the linking of commission levels with premiums rather than with sums assured.

We also welcome the intention of the newly formed British Insurance Brokers' Association to set standards and qualifications for insurance brokers. It is, however, important that there should be no undue constraints on other experienced types of independent agent and, in particular, on the professions such as accountants and solicitors.

Group Pension Business

The development of group pension business has been restricted by the continued limitations under the pay policy on the increase of benefits under existing schemes or on the introduction of new schemes. Nevertheless, the Society has been able to complete a satisfactory number of new group schemes. New annual premium income from pension business was £6.4 millions (£6.2 millions in 1975) and non-recurring single premiums were £6.2 millions (£9.1 millions).

During the year a major concern of the Society has been the study of the extremely complex provisions of the 1975 Social Security Pensions Act. We are now engaged in consultations with our pension scheme customers and brokers on whether or not the schemes should be contracted out of the new State Pension Scheme from April 1978. This is a formidable task, which is adding considerably to the already heavy cost of administering group pension schemes. It is to be hoped that there will now be a period of stability in legislation affecting pensions, first, to allow the work associated with the Social Security Pensions Act to be completed and, second, to give employers, brokers and insurers sufficient time fully to adjust to the new conditions that will apply from April, 1978.

Occupational pension schemes have developed in an environment of co-operation and partnership between the employer and the scheme members. It will not assist if government legislation alters this situation by imposing, not only on the employer but also on the scheme members, the necessity of accepting trustees who may represent only a part of the membership to the exclusion of the adequate representation of the remaining membership and the pensioners.

Investments

1976 was the year in which those responsible for the investment of the funds of life offices and other savings institutions faced a serious aggravation of the problems caused both by the continuing high rate of inflation and by the enormous size of the government borrowing requirement.

In the post-war years, the Society invested a large proportion of its new money in the equity of British companies and in the buildings in which they operate. Although, at the time, there seemed to be many changes in the country's fortunes, those years, in retrospect, look like periods of relative economic calm and increasing prosperity. Conditions, however, have altered, and the Society, in the last few years, has considered it wise to change the emphasis; it has invested nearly the whole of its new money in government securities, which recently yielded 14% to 15%, compared with immediate dividend yields on ordinary shares of 4% to 6%, the balance needing to be made up by increases in dividends. In good times, the target of continuous growth in dividends of over 10% per annum is an ambitious one; when industry is producing below full capacity and prices are controlled, it is unlikely that earnings will follow a smooth upward progression, and, if they do, the stumbling blocks of tax changes and dividend restraint lie between the progress of the company and the returns to the shareholder. It is the duty of the Society to run its investment portfolio in the best long term interests of

the policyholders, and we must, therefore, continue to seek the best overall return on the funds for which we are responsible.

Apart from the risks attendant at the present time on increasing our investment in the equity of British companies, we have to recognize that a government will by one means or another secure the large sums of money which it has committed itself to spend. It may do so by taxation, eventually limited by the nation's earning power; by borrowing abroad, as long as there are willing lenders; by printing the money, which leads to inflation; or by borrowing at home, mainly from the institutions, including the Society. In this last case, the government has to increase the rate of return on gilt-edged securities to a level which will draw money away from investment in industrial stocks. Although day to day decisions in investment still allow us room for manoeuvre to improve our existing portfolio, there has therefore recently been little practical alternative to investing the major proportion of new money in government securities. Be all that as it may, we have considered it right to maintain a substantial stake in the best British companies, in property, and in some overseas companies. I hope that, with the reduction of inflation to a level more comparable with that of Britain's principal competitors in international trade, and with the bringing of government expenditure, no matter how worthy its objects, into better balance with the real resources available to finance it, the attractions of investment of new money in British industry will revive and growth in the creation of real wealth, for the benefit of the whole community, will be resumed.

Bonus

1977 is the final year of our current bonus triennium, and we entered the year with bonus rates unchanged from the previous high levels. We made, however, one small but important change to the method of calculating entitlement to terminal bonus; the effect is that death claims under participating policies receive up to one year's additional entitlement.

The declaration of bonus for the years 1975/77 is due to be made in 1978.

The Society and the Insurance Industry

We have recently sent to all our policyholders a leaflet prepared by the Life Offices' Association and the Associated Scottish Life Offices dealing with the role of the savings of policyholders in Britain's economy. We have important responsibilities to our policyholders to invest these savings to achieve the best return, and we must not jeopardise the longer term benefits by taking too narrow and short term a view. At the same time, we are fully cognisant of the difficulties which the national economy is encountering, and we have given our full support to Equity Capital for Industry, a body set up in 1976 to channel institutional funds into developing situations in industry, particularly into potentially profitable companies which might otherwise find capital hard to raise.

We consider that direction by the government as to how or where a life office is to invest its funds, whether this came about by nationalisation or by any other means, would be injurious to the interests of policyholders. We believe that these interests are entirely compatible with the national interest and the encouragement of a vigorous industrial economy.

Staff and Administration

The first phase of the move to the Society's new Bristol Head Office was completed in 1975. In 1976 we began to reap the benefits of the detailed planning which preceded the move.

The use of our computer and other processing systems has helped with the efficient handling of many of the Society's activities and, in particular, with the prompt issue of policy documents and other documentation arising from the increased flow of new business. The new office and the pleasant surroundings of Bristol have been welcomed. The decentralisation scheme is due to be completed in 1977, with the move to Bristol of a further part of the staff presently working in London.

No one contributed more to the success and efficiency of the move than our Staff Controller, Air Vice-Marshal T. J. Hanlon, C.B., C.B.E., who joined us in 1971 after a distinguished career in the Royal Air Force. It was with great regret that we learnt of his sudden death in January 1977, following an operation.

A special reference should be made to the election of our General Manager, Mr. Leonard Hall, to the post of Deputy Chairman of the Life Offices' Association, on which we warmly congratulate him. The choice is a good one.

1976 was a successful year for the Society. The members of our staff have played a very large part in this achievement, by their keenness, resource and hard work. Once more, I wish to acknowledge what they have done for the Society and to thank them most sincerely.

I feel bound to add that our loyal observance of the wishes of the government about pay restraint is creating increasing problems, particularly over the proper reward of individual merit. We must hope that whatever takes the place of the present pay policy will give due recognition to these problems.

Grattan to maintain progress

CATALOGUE mail order operators Grattan Warehouses is well equipped and able to maintain its progress in the current year. Mr. Robert O'whaitte, the retiring chairman, says in his annual statement. The spring and summer catalogue got off to a steady start, and though the level of business reflected the general subdued state of the retail trade, he believes the planned sales will be achieved.

While it is difficult to judge what trading conditions are going to be throughout the country during the rest of the year the agency mail order system of enabling people to buy very wide ranges of goods established and attractive and will remain as such, he comments.

As reported on April 6, pre-tax profit for 1976 rose from £1.87m. on net sales of £107.62m. (£120.23m.) for the year to January 31, 1977. The net dividend is lifted to 3.217p (4.743p) per 25p share.

The directors state that on a current cost accounting basis trading profit and assets employed are not changed significantly. However, as they are opposed to the proposals in ED18, they do not feel the time is right to issue CCA accounts generally and only make them available on application.

Bank borrowing at year-end was up £0.21m. (down £1.73m.) at £7.11m. (£6.5m.) but the chairman points out that the level over the year showed a decrease resulting in lower interest charges of £0.3m. against £0.66m.

A revaluation of all group properties during the year showed a deficit of £0.7m. on the book value of £6.91m. but because of the depressed and fluctuating state of the property markets the directors do not consider any change should be made in the accounts.

At January 31, 1977, the amount owed by customers showed a 17.6 per cent. increase to £42m. But averaged over the year it was 9.5 per cent. reflecting improvement in control and changes in credit policy Mr. O'whaitte states.

Under the share option scheme introduced in 1975-76, members of staff have option on 0.65m. shares.

Meeting, Bradford, on May 26 at noon.

Chairman's statement, Page 26

Grampian looking for improvements

Although too early to make accurate forecasts, Grampian Holdings aims to improve its printing, furniture and North Sea Gas Services and Utilities in the current year. Mr. D. C. Greig, 1976—the new acquisition of chairman, tells members in his annual statement.

The construction and allied businesses are still operating in difficult conditions and as yet are not confident of any short-term improvement in the market—the year-end position will be very much influenced by their ability to maintain workload through the latter part of the year, he adds.

As reported on March 31, pre-tax profit for 1976 rose from £2.38m. to £2.8m. On a CPP basis the figure is £1.88m., compared with £1.67m.

It is estimated that the CCA principles would show for 1976 a cost of sales adjustment on stock consumed of about £1.55m. At end December, 1976, the value to the group of assets being depreciated was about £9.77m., compared with the book value of £8.2m. The amount of depreciation chargeable on the inflated assets would be about £2.15m., compared with the historical depreciation charge of £1.49m. The CPP adjustment to net monetary assets and liabilities amounts to a gain of £1.07m. Investments, Structural Poly-

The chairman says that distribution performances in printing and publishing, and furniture, did not prevent overall group profit from being maintained in 1976—the new acquisition of chairman, tells members in his annual statement.

Overdrafts increased by £1.65m. (£1.8m. decrease) during 1976 and cash on call, at bank and on hand decreased by £1m. (£1.1m. increase).

Chairman's statement, Page 33

43 companies wound-up

Orders for the compulsory winding up of 43 companies were made by Mr. Justice Brightman in the High Court on Monday. They were: Kirchoff Investments; Stanarch Standby Systems; Burgerman Meat Products; Breilton; West Pier Company; Karma Clothing; Wrot-Arc and Gullfouth; Aris & Sisco; Tri-Telex; Sinclair Toys; Associated Brickwork Contractors; Chinnford Demolition Co.; Howard Distribution and Marketing Services; B.H.S. Electronics (Sales) and Montpellier Holdings.

John Lees Motors, Inter-Desh Trading, Aberdeen, Alve (Buildings & Decorators), Clinton's Investments, Structural Poly-

English & Caledonian

After tax up from £240,115 to £259,234, revenue of English and Caledonian Investments, Co. increased from £170,774 to £188,888 during the year to March 31, 1977 after £212,450 (£189,888) at half time.

For the year gross revenue amounted to £886,181, compared with £752,723.

Stated earnings are 24p (25.5p) per 25p share and a second interim dividend of 1p (1p) (the total from 2.5p to 3.5p) net.

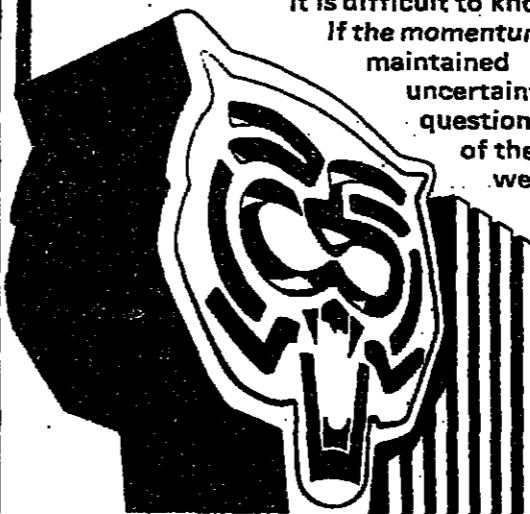
Net asset value is 98.5p (92.5p).

Fothergill & Harvey Ltd

RECOVERY IN 1976...

- HOME TRADE TURNOVER **UP** 11% To £7.0m
- EXPORT TRADE TURNOVER **UP** 46% To £2.6m
- PROFIT BEFORE TAX **UP** 25% To £903,000
- EARNINGS PER SHARE OF 25p **UP** 29% To 9p
- DIVIDEND PER SHARE OF 25p (net) **UP** 10% To 5.56p

PROSPECTS FOR 1977 The upturn in business which made itself felt in mid-1976 has continued into 1977 although, in some areas, the pattern of demand is still somewhat erratic and it is difficult to know at what level this will stabilise. If the momentum in the more buoyant areas can be maintained in the face of many economic uncertainties, not least of which are the question marks overhanging the next phase of the social contract and price control, we believe that 1977 could see a substantial increase in profits.



FLUOROCARBON PRODUCTS, FIBRE REINFORCED COMPOSITES AND INDUSTRIAL SYNTHETIC FIBRE TEXTILES

Registered Office: Summit, Littleborough, Lancashire.

The Frizzell Group

"An encouraging increase in profit"

N R Frizzell, Chairman

Extracts from the Chairman's statement for the year ended 31 December 1976

Profits increase
The Group has experienced a good year and I am pleased to report not only an encouraging increase in profit but also that the Group is expanding its activities in a satisfactory way. Pre-tax profits at £1,738 million showed an increase of 35% over the previous year. Dividends total 15p per share.

Insurance broking
UK insurance broking, which forms the largest part of our activities, continued to expand profitably. A great effort is being put into improving computer operations and this should yield substantial benefits in the future.

Credit finance
As a result of a change in group funding policy Shawlands Securities Ltd experienced a difficult year and did well to finish with increased profits.

Overseas
Our investment in France is showing good results and I am encouraged that we have such excellent partners in that country.

Both Frizzell International Limited and The Folgate Insurance Company Limited, our new long-term projects, have made excellent progress during the year in laying good foundations for the future and have also achieved modest profits at this early stage in their development.

Staff
Our success is the result of the excellent work of our loyal staff. I express my sincere gratitude to them.

The future
I am confident that with the continued support of all our staff we shall make further progress in 1977.

Underwriting
The 1973 account of the Lloyd's Underwriting Agency showed increased profits and I expect the 1974 account to be better still.

Five years of growth	1976	1975	1974	1973	1972
Group profit before taxation and extraordinary items	£1,738	£1,283	£1,040	£992	£800
Earnings per ordinary share (Assuming conversion of 'A' ordinary shares)	26.7p	23.7p	19.2p	17.5p	15.0p

The Frizzell Group Ltd

Registered Office: Frizzell House, 14-22 Elder Street, London E1 6DF



Clerical, Medical & General Life Assurance Society

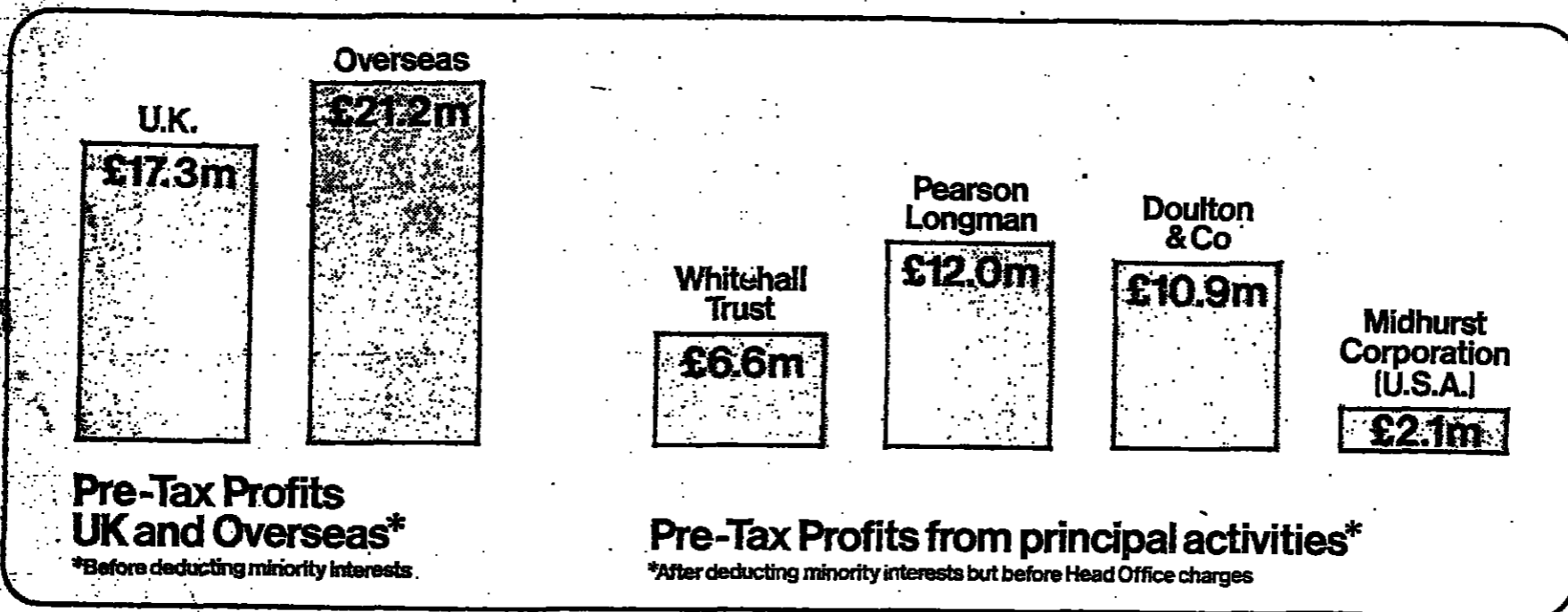
Incorporated in England by Act of Parliament with limited liability No. Z103
Principal Office 15 St. James's Square, London SW1Y 4LQ
A Mutual Office Established 1824

Copy 1250

Joy 1.5.77

S. Pearson & Son

“...much the biggest annual advance since we became a public company...”



Extracts from the Statement by the Chairman Lord Cowdray, in the 1976 Report & Accounts.

Last year I reported that the Group was "ready and able to take advantage of any improvement in the British economy and in world trade". In the event we achieved total profits before tax of £38,583,000 — a record for the Group. While this includes £1,166,000 arising from changes in stock valuation to comply with a new accounting standard, it represents an increase of 54 per cent over the previous year's figure of £25,019,000. This was much the biggest annual advance since we became a public company in 1969. After deducting minority interests our attributable profits were £28,538,000 (1975 £18,774,000) and earnings after tax were £14,492,000 (1975 £8,306,000). Because the tax provision was 49.2 per cent of profits compared with 55.8 per cent in 1975, after tax earnings and earnings per share showed an increase of 74 per cent.

During the year we sold to Inchcape & Co. our 38.4 per cent interest in the Bain Dawes group of insurance brokers. This was a logical development for Inchcape and the terms offered to us were attractive. The cash part of the proceeds of this sale went towards our purchase of the balance of the share capital of Embankment Trust, an investment trust in which we already owned a 28 per cent interest. The effect of this transaction was to eliminate the substantial discount represented by the market value of our 28 per cent holding as against the underlying asset value and to bring into the Group an additional portfolio of marketable securities including a substantial overseas element. Since the transaction the value of the shares held by Embankment Trust has increased.

Dividend
We are making a dividend recommendation which will ensure that the total paid for 1976 is increased by the maximum permitted.

Exports and Overseas Earnings
A notable feature of 1976 was the major improvement in the contribution made by our exports and other overseas earnings. In addition to Midhurst Corporation, whose profits are earned wholly overseas, encouraging progress was made throughout the rest of the Group, but especially striking advances were reported by Longman, 80 per cent of whose turnover

1976 Results in brief

Group profit before taxation	£38,583,000
Attributable profit before taxation	£28,538,000
Profit after taxation (excluding extraordinary items)	£14,492,000
Earnings per ordinary share	21.2 pence
Dividends per ordinary share	6.1 pence
Turnover (excluding banking and investment income)	£290,000,000

is now outside the United Kingdom, and by Royal Doulton Tableware which increased its share of the very competitive but profitable North American markets and sold over 54 per cent of its products abroad in 1976. Other companies with a major percentage of their business overseas were Lazard's (approximately 30 per cent of total income), Penguin (42 per cent of sales) and The Financial Times (about 25 per cent of advertising revenues).

Overall, the Group earned 55 per cent (1975 41 per cent) of its profit outside Britain and this figure does not include the substantial revenue from overseas visitors buying china, books and other Group products in Britain. It has been a major element in our policy to try to increase the proportion of our profits derived from abroad and we are a stronger business for the progress made in this direction in 1976.

Capital investment
This year I would like to report more fully than usual on

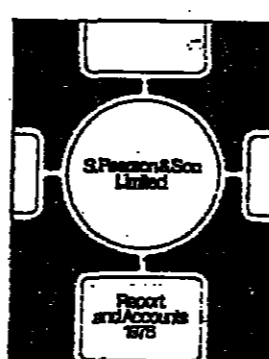
the Group's capital investment programme. During the past five years, and despite the difficulties caused by high inflation for many of our companies, our businesses have invested some £42,000,000 in land and buildings and new plant and equipment. The largest total amounts have been spent at Doulton, principally in building new capacity for tableware production and glass processing, at the newspaper companies for new presses and production equipment, and at the book publishing companies for additional warehouse capacity and distribution equipment. While much of this expenditure has been financed out of cash flows, the Group will have contributed from central funds an additional £7,500,000 by the end of 1977 towards Doulton's expansion. It is worth noting that the Doulton programme has mostly comprised major factory re-equipments and these take time to bring into full production. Consequently much of the benefit which we expect to reap in terms of substantially increased profits has not yet come through into our results.

Prospects
In general, I expect the Group to continue to grow during the next few years. We have ample resources available both for the further development of our existing businesses and for new investment opportunities.

The early results for 1977 throughout the Group have shown a promising increase on the corresponding period in 1976 and provided the trend continues I believe that we can expect another worthwhile improvement in profits this year.

Employees
The success which we achieved in 1976 was due largely to the hard work of our employees at all levels. It is to be hoped that we are approaching a period when the rewards, after tax, for additional skills and responsibility will be allowed to reach more appropriate levels than in recent years.

Group Interests
The Pearson organisation comprises four main divisions employing about thirty thousand people with capital employed in excess of £250m:
WHITEHALL TRUST (Lazard Brothers and Investment Trusts)
PEARSON LONGMAN (Publishing)
DOULTON & CO (Ceramics, Glass and Engineering)
MIDHURST CORPORATION (North American Interests)



To: The Secretary,
S. Pearson & Son, Limited,
Millbank Tower, Millbank,
London SW1P 4QZ.

Please send me a copy of
the 1976 Annual Report.

Name _____
Company _____
Address _____

THE EAST LANCASHIRE PAPER GROUP LTD.

Year ended 31st December. 1976 1975. Turnover £'000 22,570 20,847. Profit before Tax 213 1,249. Taxation (credit) (20) 596.

*Profit before tax includes release of stock provisions no longer required totalling £75,000.

In the Annual Report to the Shareholders, the Directors made the following points:

- * As predicted, 1976 in the event turned out to be a poor year for the Group.
* The combined effects of a weak market, foreign competition, high interest rates and a sinking £, pre-empted most of whatever action was taken at the trading units within the Group to try to obtain a satisfactory performance.

At the Annual General Meeting held at Radcliffe, Manchester, on 4th May 1977, the Chairman, Mr. C G Seddon, said:

The Group is likely to make a reasonable recovery during 1977. The upturn in demand experienced during the last quarter of 1976 has continued into 1977, and the Directors feel more optimistic about the Company's prospects than at any time during the past two years.

SHARE DISCLOSURES

Stakes in Keyser Ullmann

A near-10 per cent stake in Keyser Ullmann Holdings, the banking concern, is held by English Property Corporation, it has been disclosed. The holding, of 8,108,975 shares, representing 8.94 per cent of the KU capital, was worth £1.53m. at last night's price for KU of 38p, up 1p.

Shares (44.19 per cent). Davies Cinemas is controlled by Mr. J. W. Davies and his wife, Mrs. Davies. It is a director of British Cinematograph this holding is shown in its accounts as part of Mr. Davies' beneficial interest.

Kinga Kellor Rubber Estates Straits Trading has acquired 18,000 shares and now holds a total of 314,500 shares (12.45 per cent). Fuzbeck Group: Mr. E. H. Newby has purchased 900 Ordinary shares.

Safeguard Industrial Investment Society Co-operative Insurance Society holds 350,000 (5 per cent). Ordinary shares. Roper Holdings: W. G. D. Roper holds 388,888 Ordinary shares (5.94 per cent) at April 18, 1976. R. B. B. Roper holds 315,166 (7.58 per cent) and J. B. W. Roper holds 838,219 Ordinary shares (12.83 per cent).

BIDS AND DEALS

Newall Machine agrees £2.4m. Elliott offer

B. Elliott and Company is making an agreed £2.4m. bid for Newall Machine Tool in shares and cash and the Newall Board and other investors intend to accept for 14.7 per cent of the shares.

Terms are one Elliott share and 51p in cash for every three Newall shares which, with Elliott Newall shares at just under 35p, amounts to a bid for 14.7 per cent of the company's shares.

NO PROBE. Of State for Protection, has decided not to refer the proposed merger between Newall and Elliott to the Monopolies and Mergers Commission.

BALL & COLLINS. In connection with the proposed Consolidated Offshore offer, Ball and Collins (UK) and Collins Electronics have now been accepted in respect of 91.22 per cent of the £3 and £1 capital.

REDIFON CHANGES NAME. To increase public awareness of its simulation activities, Redifon Electronics Incorporated has changed its name to Redifon Simulation Incorporated.

MACPHERSON GROUP. Donald Macpherson Group has acquired from Batchelor Robinson and Co. for £300,000 the capital of Batchelor Robinson Couplings.

Co-operative Bank Group

The following are extracts from the statement of the Chairman, Mr. A. Sugden:

A challenge for Co-operative Banking

As the year progressed and the domestic economic situation continued to deteriorate, firmer controls had to be exercised in most areas of traditional banking business.

Co-operative Bank Limited

Increasingly firm controls on traditional lending and borrowing activity towards the end of the year re-emphasised the correctness of the Bank's decision to concentrate on promoting its client price advantage, by maintaining a "free banking" service for personal current accounts maintained in credit.

Handybank Service

Although there still remains a number of gaps to be filled in our United Kingdom-wide network of offices serving all major centres of population, probably the main vehicle for further developing new business lies in the convenient banking service which is offered on our behalf by Retail Co-operative Societies.

F. C. Finance Limited

Within the difficult economic circumstances, F. C. Finance Limited completed a successful year and further consolidated its profits position. Handling the company's still considerable involvement in the property and construction sectors took up a fair proportion of available resources but significant progress has been made in this area.

Annual Report

Highlights from the accounts of the Co-operative Bank Group for the year ended 31st January 1977. 1976 £'000 1975 £'000. Total assets 366,403 330,760. Operating profit 3,018 3,569.

Head Office: New Century House, Manchester, M60 4EP. City Office: 78-80 Cornhill, London EC3V 3NJ. The Principal companies of the Group are: Co-operative Bank Ltd., Co-operative Commercial Bank Ltd., Co-operative Bank (Business Services) Limited, F. C. Finance Limited.

The Co-operative Bank YOUR CARING SHARING BANK

ANIMAL FEEDS. PIG PRODUCTION. FEEDEX AGRICULTURAL EQUIPMENT MANUFACTURERS. GROUP PROFITS FOR THE YEAR TO 31 DECEMBER 1976 UP 18% ON 1975

External Sales £000. 1976 1975. 15,275 11,610. Profit before tax 927 787. Profit after tax 444 362.

Engineering companies very buoyant. Animal feeds section tonnage and profit up. Pig production return reduced, but offset by increased contributions by other divisions. Feedex Limited, Burstwick, Hull

CARIPLLO CASSA DI RISPARMIO DELLE PROVINCE LOMBARDE (Savings Bank of Lombardy) - Established 1823 - MILAN, ITALY and associated sections

CONSOLIDATED BALANCE SHEET AS AT 31st DECEMBER 1976. ASSETS: Cash in hand, net resources and securities £720,592,488.59. LIABILITIES AND NET WORTH: Savings deposits, current accounts, mortgage and other bonds outstanding £284,308,139.894.

Bestobell Limited THE INTERNATIONAL ENGINEERING AND CHEMICAL PRODUCTS GROUP

'1976 results on target'. Sir Humphrey Browne, Chairman. U.K. performance good - orders increased. But Group profit affected by down-turn in South Africa and Singapore.

Salient figures 1976 1975. Sales £77m £63m. Profit before tax before extraordinary items £5.3m £5.7m.

U.K. performance good - orders increased. But Group profit affected by down-turn in South Africa and Singapore. Dividend raised by permitted maximum.

The Bestobell Group employs about 6,000 people in 29 operating companies located in 18 countries. Main products and activities include: VALVES AND CONTROLS; AIRCRAFT COMPONENTS; CHEMICAL PRODUCTS; INDUSTRIAL SEALS AND MOULDINGS; PAINTS AND DOMESTIC PRODUCTS; THERMAL AND ACOUSTIC INSULATION.

Engineering companies very buoyant. Animal feeds section tonnage and profit up. Pig production return reduced, but offset by increased contributions by other divisions.

MINING NEWS

Australia edges warily to uranium deal

By KENNETH MARSTON, MINING EDITOR

Other uranium-producing countries are busy supplying their own nuclear energy-hungry nations. Australia has taken a few cautious steps towards forming a uranium mining and export policy which will give the country's huge uranium deposits.

The statement made at this week by the Prime Minister, Malcolm Fraser, that Australia had a "global responsibility" in regard to supplying uranium demand at a time of energy shortage, has been welcomed by the Prime Minister and other members of the Government. Douglas Anthony, has given first outline of the conditions for approval of uranium exports. It has been discussed with the U.S. Government as a condition of joint policies. He has said in Ottawa that market uranium under strict control would strengthen rather than weaken the objective of uranium proliferation.

Anthony is to put his proposals for uranium marketing to the Australian Government. He has said in Ottawa that market uranium under strict control would strengthen rather than weaken the objective of uranium proliferation.

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ITALIAN INTERNATIONAL BANK

BASE RATE

Italian-International Bank announce that, with effect from 2nd May, their Base Rate for lending was reduced to 9 1/2%.

Italian International Bank Ltd.

P & O Building, Leadenhall Street London EC3V 4PT
Tel: 01-623 8700 Telex 885370 (General)

ENTERTAINMENT GUIDE (Contd.)

THEATRES	CINEMAS
HALL 01-330 8622 ALD HARPER DINAH SHERIDAN HOLMAN ROBINSON SHOWER OF WILLIAM DOUGLAS 4.5. 6.0. 7.5. 9.0. 10.5. IN THE RED 8.0. 9.0. 10.0. 11.0. 12.0. Last week Must see Saturday	CURZON Curzon Street W.1. 499 3757 Lisa Werwiler's SEVEN BEAUTIES (K) Daily at 2.0 (not Sun) 4.25. 6.15. 8.30.
MILL THEATRE 43-45 Uxbridge Rd. W.3. 5112 PAUL RAYMOND presents THE PRODIGAL SON 8.0. 9.0. 10.0. 11.0. 12.0. Last week Must see Saturday	LEICESTER SQUARE THEATRE (S20) 5.25. 6.50. 8.15. 9.40. 11.0. 8. Sat. 11.45. 8.00. 9.00. 10.00. 11.00. Last night shows
ROYAL OPERA HOUSE 51-53 Uxbridge Rd. W.3. 5112 THE PRODIGAL SON 8.0. 9.0. 10.0. 11.0. 12.0. Last week Must see Saturday	ORDEN MARSHALLS ANCH 77-79 Uxbridge Rd. W.3. 5112 8.0. 9.0. 10.0. 11.0. 12.0. Last week Must see Saturday
ROYAL OPERA HOUSE 51-53 Uxbridge Rd. W.3. 5112 THE PRODIGAL SON 8.0. 9.0. 10.0. 11.0. 12.0. Last week Must see Saturday	PRINCE CHARLES Leicester Sq. 437 2181 Last 3 weeks Richard O'Sullivan INSERTS K1. 8.0. 9.0. 10.0. 11.0. 12.0. Last week Must see Saturday
ROYAL OPERA HOUSE 51-53 Uxbridge Rd. W.3. 5112 THE PRODIGAL SON 8.0. 9.0. 10.0. 11.0. 12.0. Last week Must see Saturday	SCENE 5 1111 Uxbridge Rd. W.3. 5112 8.0. 9.0. 10.0. 11.0. 12.0. Last week Must see Saturday
ROYAL OPERA HOUSE 51-53 Uxbridge Rd. W.3. 5112 THE PRODIGAL SON 8.0. 9.0. 10.0. 11.0. 12.0. Last week Must see Saturday	STUDIO Oxford Circus 437 3300 8.0. 9.0. 10.0. 11.0. 12.0. Last week Must see Saturday

CLUBS

5. THE COMMONS 251-253 Uxbridge Rd. W.3. 5112
8.0. 9.0. 10.0. 11.0. 12.0.
Last week Must see Saturday

CONCERTS

JOHN'S SMITH SQUARE Sunday at 7.30 p.m.
Lancaster University Concerts Presents:

BRAHMS TRIO MUNICH

May 8 Piano Trios BRAHMS SCHUBERT
Tickets: £1.75; £1.25. £1.00. 100s & 100s. 124 Wigmore St., London, W.1. 925 8418 and at the door

Fothergill sees improvement

MR J. A. JORDAN, chairman of Fothergill and Harvey, says that the current year could see a substantial improvement over 1976 pre-tax profits of £2.9m. (£2.73m.). He tells members, in his annual statement that the upturn in business which made itself felt in mid-1976 has continued into 1977 although, in some areas, the pattern of demand is still somewhat erratic and it is difficult to know at what level this will stabilise.

On the year under review Mr. Jordan points out that to achieve the increase in profitability, and to take advantage of a further anticipated upturn in business, required a disproportionate increase in working capital. When this is added to continuing investment in plant, again at inflated prices, there is a small decrease in the return on the average assets employed.

Exports increased 46 per cent and now account for nearly 27 per cent of total turnover. The directors will continue to give this side of the business a high degree of priority as they feel sure they can improve still further on this figure.

The other area where expenditure has not been curbed is the capital investment programme. The directors committed a further £968,000 during the year, partly to replace existing equipment and expand production, and partly in centralising and equipping the composite division.

L. & P. Shop
For the six months to December 25, 1976, London and Provisional Shop Centres (Holdings) reports pre-tax profits up from £150,288 to £169,093 and the

Linread LIMITED

- INTERIM REPORT - HALF YEAR TO JANUARY 1977**
- Return to profitability after a year of heavy losses. Interim dividend 1.00p per share payable 25 May.
 - Overseas operations broke even and most of pre-tax profits made in the UK.
 - Outstandingly good performance in Germany offset by unexpected loss in Australia.
 - Trading profit and pre-tax profit for the year should reach £1,100,000 and £270,000 respectively providing possibilities in the second half are broadly realised.

SUMMARY OF RESULTS (£'000)	JAN. 1977	JAN. 1976
External sales	6,093	4,695
Trading profit and partnership income	537	111
Profit (Loss) before tax and extraordinary items	115	(227)
Attributable earnings (losses)	19	(92)
Extraordinary profits	110	—
Basic earnings per share (5,359,842 shares)	0.35p	(1.72p)

Manufacturers of Specialised fastener systems for the aerospace, consumer durable, automotive and building industries
BIRMINGHAM - ENGLAND

Babcock & Wilcox

A picture of growth

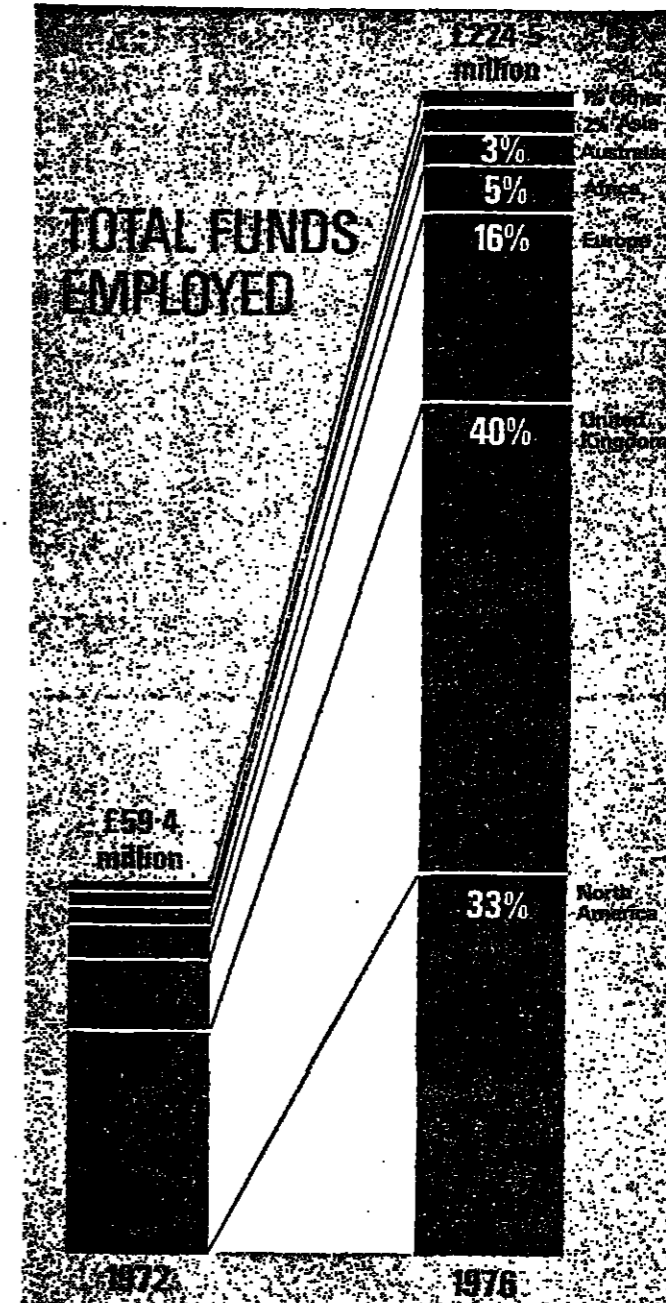
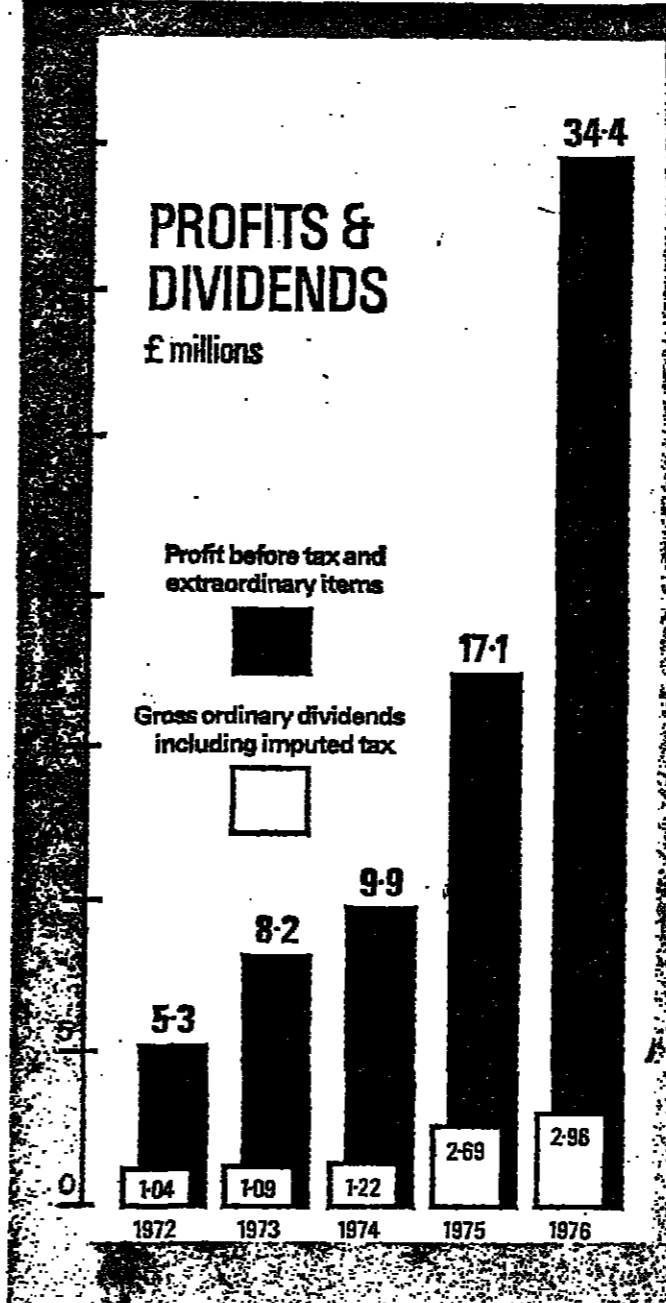
Review of 1976

1976 profits before taxation and extraordinary items are double those of 1975 and almost equal to the aggregate of the previous three years. They have been transformed by the consolidation of ACCO's accounts for a full year.

Not surprisingly, in view of the continued depressed state of the economy in this country and the low demand for capital goods generally in most parts of the world, our United Kingdom operations were hard pressed to maintain the moderate levels of output of the recent past. Although performance in exports was creditable, with the value of shipments growing in the face of severe competition by 28 per cent to £59.7 million, there was no advance overall in the level of profits earned by these operations.

Analysis of turnover and trading profits:

Group	Turnover £000	Trading Profit £000
Power and process engineering group	151,987	3,008
Construction equipment group	35,820	3,762
General engineering group	105,317	4,628
Electrical engineering group	16,013	1,497
International group	122,061	3,286
ACCO	198,734	17,126
TOTAL	629,932	33,307



Thus the profit growth in 1976 arose entirely from overseas operations and, whilst the International group showed a marked improvement, the increase was largely attributable to the investments made at the end of 1975 in ACCO and Babcock-Hitachi K.K. As a result, 65 per cent of Group profits in 1976 derived from overseas operations, which now account for 60 per cent of total funds employed.

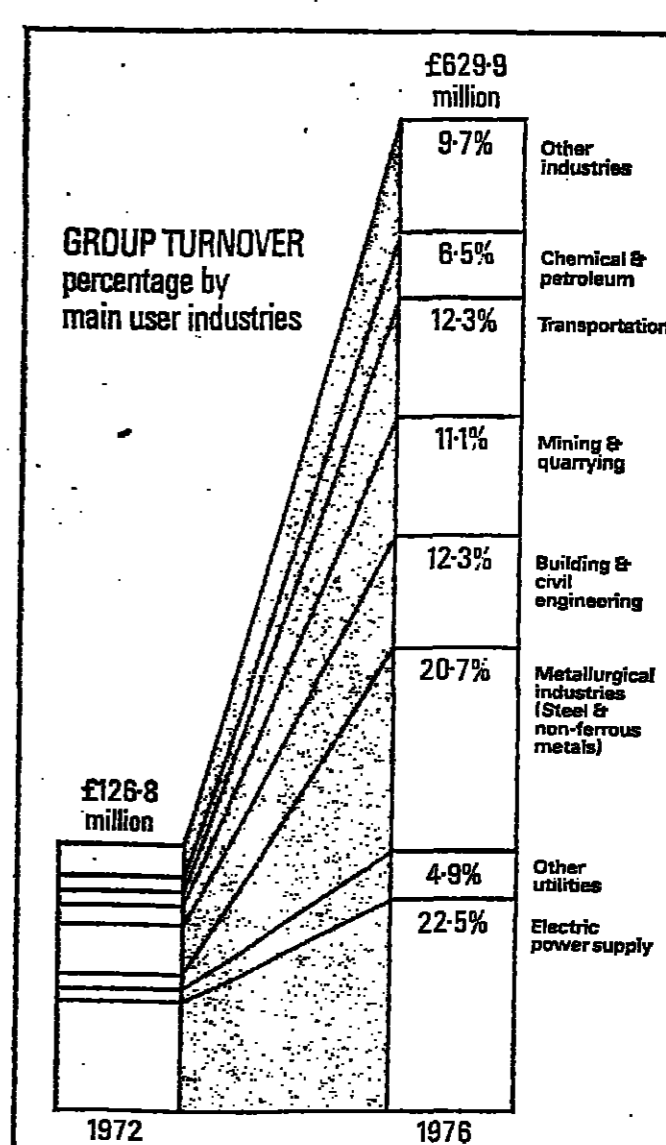
Outlook for 1977

A promising start was made to 1977 with orders booked in the first few weeks by the United Kingdom companies showing a substantial increase over the corresponding period last year.

I do not expect that there will again be a material exchange profit in 1977 and therefore maintenance of the existing level of profitability is largely dependent on an early recovery from the present world economic recession. There are no indications that such a recovery is imminent despite the fact that our order intake has shown some signs of improvement. With approximately two-thirds of the Group's profits generated overseas and of that more than half in North America, the state of the economy there is of vital importance to the prosperity of the Group.

Mr. John King, Chairman, reporting to shareholders.

The Group employs approximately 36,000 people and turnover in 1976 amounted to £629.9 million.



Babcock & Wilcox Limited

A leader in world-wide engineering

New issues
May 5, 1977

All these bonds having been sold, this announcement
appears as a matter of record only.

Norges Hypotekforening for Næringslivet

(The Norwegian Mortgage Association for Industry and Trade)
Oslo

DM 50,000,000
7 1/2% Bonds due 1987

Issue price: 100 1/2%

WESTDEUTSCHE LANDESBANK GIROZENTRALE	DEN NORSKE CREDITBANK
ALGEMENE BANK NEDERLAND N.V.	HAMBROS BANK LIMITED
KREDIETBANK S.A. LUXEMBOURGEOISE	UNION BANK OF SWITZERLAND (SECURITIES) Limited
AL AHLI BANK OF KUWAIT (K.S.C.)	E. METZLER SEEL SOHN & CO.
A. E. AMES & CO. Limited	MORGAN STANLEY INTERNATIONAL
AMSTERDAM-ROTTERDAM BANK N.V.	THE NIKKO SECURITIES CO. (EUROPE) LTD.
ANDRESEN BANK A/S	NOMURA EUROPE N.V.
ARAB FINANCIAL CONSULTANTS COMPANY S.A.K.	NORDEUTSCHE LANDESBANK GIROZENTRALE
ASIAN-ASIAN INTERNATIONAL ACCEPTANCES & CAPITAL Limited	NORFINANZ-BANK ZÜRICH
BANCA COMMERCIALE ITALIANA	NORDIC BANK Limited
BANCA DEL GOTTARDO	SAL. OPPENHEIM JR. & CO.
BANCA NAZIONALE DEL LAVORO	ORION BANK Limited
BANCO DI ROMA	PIERSON, HELDRING & PIERSON N.V.
BANK JULIUS BAER INTERNATIONAL Limited	PIBANKEN
BANKERS TRUST INTERNATIONAL Limited	POSTBANK
BANK FÜR GEMEINWIRTSCHAFT Aktiengesellschaft	PRIVATBANKEN AKTIESELSKAB
BANK GUTZWILLER, KURZ, BUNGENER (Overseas) Limited	ROTHSCHILD BANK AG
BANK MESS & HOPE NV	N. M. ROTHSCHILD & SONS Limited
BANQUE ARABE ET INTERNATIONALE D'INVESTISSEMENT (S.A.L.I.)	SALOMON BROTHERS INTERNATIONAL Limited
BANQUE BRUELLES LAMBERT S.A.	J. HENRY SCHRODER WAGG & CO. Limited
BANQUE FRANCAISE DU COMMERCE EXTERIEUR	SKANDINAVISKA ENSKILDA BANKEN
BANQUE GENERALE DU LUXEMBOURG Société Anonyme	SMITH BARNEY, HARRIS UPHAM & CO. Incorporated
BANQUE DE L'INDOCHINE ET DE SUEZ	SOCIETE GENERALE
BANQUE INTERNATIONALE A LUXEMBOURG S.A.	SOCIETE GENERALE DE BANQUE S.A.
BANQUE NATIONALE DE PARIS	SPARIBANKERNA BANK
BANQUE DE NEUFELZE, SCHLUMBERGER, MALLET	SUMITOMO FINANCE INTERNATIONAL
BANQUE NORD EUROPE S.A.	SVENSKA HANDELSBANKEN
BANQUE DE PARIS ET DES PAYS-BAS	SWISS BANK CORPORATION (OVERSEAS) Limited
BANQUE POPULAIRE SUISSE S.A. LUXEMBOURG	E. F. HUTTON & CO. N.V.
BANQUE DE L'UNION EUROPEENNE	KANSALLIS-OSAKE-PANKKI
BAYERISCHE HYPOTHEKEN-UND WECHSEL-BANK	KODDER, REABODY INTERNATIONAL Limited
BAYERISCHE LANDESBANK GIROZENTRALE	KJØBENHAVNS HANDELSBANK
BAYERISCHE VEREINSBANK	KLEINWORT, BENSON Limited
JOH. BERENBERG, GOSSLER & CO.	KREDIETBANK N.V.
BERGEN BANK	KUHN, LOEB & CO. INTERNATIONAL
BERLINER BANK Aktiengesellschaft	KUWAIT FINANCIAL CENTRE (S.A.K.)
BERLINER HANDELS-UND FRANKFURTER BANK	LAZARD BROTHERS & CO. Limited
CAISSE DES DEPOTS ET CONSIGNATIONS	LAZARD FRERES ET CIE
CHASE MANHATTAN Limited	MANUFACTURERS HANOVER Limited
CHRISTIANA BANK OG KREDITKASSE	MERRILL LYNCH INTERNATIONAL & CO.

Comecon's debts to the West: a cause for concern

BY DAVID LASCELLES, East Europe Correspondent

THE SOVIET bloc managed in 1976 for the first time in five years to slow down its steady descent into debt. Although the complete figures are not yet available—and indeed never will be, because the bloc keeps its balance of payments a tight secret—it is clear that the East-West trade gap narrowed for the first time since 1971.

But though this is good news for Comecon's creditors who had seen the debt grow tenfold between 1970 and 1975, it has far from defused the highly charged question of the bloc's debts. By many estimates, last year's visible deficit was still in the region of \$1bn. and with the invisible deficit accounting for a further estimated \$4bn., the bloc ended up some \$5bn. further in the red. The Economic Commission for Europe estimates the trade gap at some \$7bn.

Most observers believe that the time when Comecon can achieve an actual turnaround and start running down its debt is still a long way off. Even if last year's better performance is sustained for the rest of the decade, Comecon's debts will probably still double by 1980. Not that the East Europeans are not trying. All their new Five Year Plans talk of the urgent need to correct their trade imbalance with the West, and all set higher targets for exports than for imports. The Soviet Union even managed to turn in a surplus on its trade with West Europe last year, though the final overall reckoning was in the red because of grain imports from the U.S.

Other East European countries also managed to trim their deficits, notably Poland whose debts have been causing the greatest worry. This improvement in Comecon's fortunes was due partly to an 18 per cent rise of exports, mainly of Soviet raw materials, including oil.

A brief glance at the figures also shows that belts were tightened to save imports. In value terms, Comecon's purchases in the West last year rose by only 4 per cent. In other words, they may well have declined in real terms.

The change was felt particularly acutely in West Germany, by far Comecon's largest trade partner in the West, accounting for almost half Comecon's total imports. In 1976, the West German trade surplus with

Comecon fell by a third, and even the chronic surplus with East Germany narrowed a bit, from DM.5bn. to DM.3.5bn. As a result, West Germany's net financial claims on Comecon rose only DM.1.5bn. in the first half of last year compared with DM.6bn. in 1975. West Germany, which has run up the largest surplus with Comecon now has net claims on the bloc of some DM.18bn. (about \$4.4bn.).

Evidently the Comecon plans division of judgments about the could not have borne fruit so quickly. Even so, the drop of concern is small in Europe.

whereas in the U.S. anxiety is deep. The European view is that Comecon's debts are still small in an international perspective. Hungary's debt, for instance, is half that of Denmark, a country half its size. The Soviet Union's debt is only half that of Brazil, and its population and resources are several times as great. The Europeans claim greater familiarity with Comecon. They point to East Europe's excellent repayment record, and profess faith in the determination of the Comecon countries to do something about their debts.

American comment fixes upon the rapid growth of the debt, and the fact that U.S. bank loans are reaching limits set by Federal banking laws. Even so, Mr. Arthur Burns, Chairman of the Federal Reserve Board, reported last month that in his opinion U.S. banks were not overlent in East Europe. He promised a fuller statement later on.

Europeans and Americans do agree that in spite of last year's encouraging developments, the debt is unlikely to get any smaller in the foreseeable future. The most pessimistic view is that East Europe's inefficient economic system will keep it permanently one step behind

the West, importing new technology and goods but not producing enough goods of a standard acceptable in the West. Secondly, even if such were not the case, Comecon is unlikely to be able to keep the economy or building up political problems about living standards.

Third, there are still doubts about Comecon's export prospects, specifically about its ability to sustain last year's per cent increase. So-called operation agreements, which East Europe pays for capital imports with subsequent production are often criticised as a means for boosting exports. However, they account for at most a quarter of trade.

Many East European manufactured goods also face protectionism in the West, from clothing and vehicles to appliances. Agricultural products run the gamut of the Comecon's Agricultural Policy.

Under the most optimistic assessment doing the rounds, Comecon could succeed in narrowing its trade deficit gradually. Even so, its debts would still grow by half to \$6bn. in 1980.

According to Professor Richard Pipes of London University in a recent study, this would still require an enormous effort. He believes that if the ports and invisibles stayed constant at 1976 levels, then in order for the debt to level off by the end of 1980, the Soviet Union would have to increase its hard currency exports by over 10 per cent a year, Poland by 20 per cent a year, and the rest of East Europe by 7 per cent a year. The resulting stable debt levels for the three would be, Soviet Union \$27bn., Poland \$20bn., East Europe \$20bn., and a total of \$67bn.

The possibility that the Soviet bloc might default on its foreign exchange markets by dumping currency on gold is widely discussed. The full course of action would lead to a complete breakdown in East-West relations; the second would require far greater liquid reserves than the bloc is believed to have.

The spectacle of mounting debt is therefore one that will have to be faced. There is already talk of possible requests for rescheduling, though no one yet knows what the western reaction would be.

	1974	1975	1976*
Bulgaria	1.7	2.4	2.8
Czechoslovakia	1.1	1.5	2.1
East Germany	3.6	4.9	5.8
Hungary	2.3	3.2	3.5
Poland	4.9	7.8	10.4
Romania	2.4	2.8	2.8
Soviet Union	5.9	11.4	14.4
Comecon banks	2.1	2.8	3.5
Gross debt	24	36.8	45.3
Deposits with western banks	6.2	6.6	6
NET DEBT	17.8	30.2	39.3

* Preliminary estimate. Source: R. Pipes, West-East Central Flow, March 1977, Birkbeck College, University of London.



「Chemical Bank がアメリカのほかの国際的銀行と
ちがう点は、お金ではありません。誠実さです」



"The difference between Chemical Bank and the other
large U.S. international banks isn't money. It's loyalty."

More than money. In any language. **CHEMICAL BANK**

Chemical Bank House, 180 Strand, London WC2R 1ET. Representative Offices: Scottish Princes House, 1-2 Waterloo Street, Birmingham-Charlotte House, 17 Charlotte Square, Edinburgh. Main office: New York, N.Y. Bahrain, Beirut, Birmingham, Bogota, Brussels, Buenos Aires, Cairo, Caracas, Channel Islands, Chicago, Dubai, Edinburgh, Frankfurt, Hong Kong, Jakarta, London, Madrid, Manila, Mexico City, Milan, Monrovia, Nassau, Paris, Rio de Janeiro, Rome, San Francisco, Sao Paulo, Singapore, Sydney, Taipei, Tehran, Tokyo, Toronto, Vienna, Zurich.

LEADERSHIP...

Most people like to do business with leaders. But it's sometimes easier to become a leader than to remain one.

Within the ASEA Group we appreciate what it takes to become a leader — and remain one.

Few factors are more important than the ability to meet changing and challenging market requirements.

Because we are determined to remain a leader — in power equipment, transportation, industrial engineering products and materials handling — we have spelled out the basic objectives ASEA Group companies are concentrating on today:

1. To improve or develop, in cooperation with our customers, products and installations for the generation, transmission and use of electrical energy that will

combine the highest possible energy savings — and the lowest possible operating costs.

To increase — to the fullest extent possible — the flexibility of our production facilities to best meet new or changed desires and requirements in the markets for electrical equipment.

To develop and — in cooperation with our employees — introduce the type of new and advanced production technology that is required for the Company to be able to meet in a smooth and successful manner the demands that increased costs have already imposed, and will impose.

We welcome change and challenge as practical tests of leadership. And of our ability to serve the interests of employees, customers, shareholders — and the general public.

If you would like to know more about the ASEA Group today, please write for a copy of our Annual Report. The highlights of our recent operations, below, tell only a part of the story.

	1976	1975
Sales	£1,200	£1,123
Orders	1,220	1,250
Operating income	98	75
Net profit	22	43
Profit per share	£2.90	£3.80
Untaxed reserves	221	194
Assets	1,734	1,419
Shareholders' equity	264	258
Orders in hand at end of year	2,085	1,865
Capital expenditure	84	63
Shareholders	75,000	75,000
Employees	44,194	43,604

Sterling amounts translated from Swedish Kronor at December 31, 1976 rate: £1.00 = Skr 7.00.

ASEA

Group Office: Stockholm, Sweden

In the United Kingdom
ASEA LIMITED
Villiers House
41 Strand, London WC2N 5JX

Copy 100 1250



GRAMPIAN HOLDINGS

Plans for further improvement and growth

Statement by the Chairman, David C Greig

The 1976 pretax profit of £2,811,000 compares with the 1975 figure of £2,585,000. Disappointing performances, especially in Printing and Publishing but also in Furniture, did not prevent overall Group profit from being maintained. The new acquisition of North Sea Gas Services and Utilities had a difficult first year but steps taken by management during this period should enable the expected returns to be achieved.

The majority of activities in industrial services are closely allied to the construction industry and were exposed to the many problems in this sector. Transport's short-haul vehicles and plant hire experienced a downturn but long-haul flat vehicles continued to perform well.

Glacian (earthmoving, plant hire) once again produced record results. In other areas of construction, general building and civil engineering, coupled with underground services, performed satisfactorily whilst the structural steel fabricating company, Fleming Brothers, had an excellent year.

Once again Electronic and Audio components achieved substantial growth, this being consequential on the previously introduced new products and the significantly increased sales in overseas markets.

Amongst the Sports companies, Millard Brothers (fishing tackle and guns) made further improvement, whilst Ben Savers, in common with the golf industry, was unable to maintain its previous growth. Mitre Sports (soccer balls, sports footwear, cricket and squash equipment) had a first class year, both in the UK and in export markets. It is now operating in the USA and it is your Board's intention that Mitre should make this its major growth area.

Textile manufacturing continued its improvement whilst Tourist Retail had a static year and in Rose-Morris reorganisation was completed. During the year majority control was purchased in Marshall Equipment Hire previously an associated company engaged in the hire of amplification equipment. Marshall Equipment Hire in turn purchased the total share capital in Fasco Sound, a company engaged in similar operations in the USA.

Grampian Land, in which a 20% investment is held, noticeably increased its profit.

Supplementary inflation accounting statements have been included, prepared on the same basis as last year, using the Current Purchasing Power method.

It is estimated that the Current Cost Accounting principles contained in Exposure Draft 18 would show for 1976 a cost of sales adjustment on stock consumed of approximately £1.55 million. At 31 December 1976 the value to the Group of assets being depreciated was approximately £9.77 million compared with the book value in the historical accounts at the same date of £8.20 million. The amount of depreciation chargeable for 1976 on the inflated assets would be approximately £2.15 million compared with the historical depreciation charge for the year of £1.49 million. The Current Purchasing Power adjustment to net monetary assets and liabilities is included in the supplementary statement on page 20 and amounts to a gain in purchasing power of £1.07 million.

A final dividend of 9.73% (2.4325 pence per share) is recommended, giving with the interim a total of 15.73% (3.9325 pence per share) which compares with a total of 14.3% (3.575 pence per share) for 1975 and is calculated on a basic rate of tax of 35%.

Andrew Rintoul, a former Chairman and a Director since the Company started in 1958, has found his duties as Chairman of the Trustee Savings Banks of such a nature that he is no longer able to devote sufficient time to his Grampian directorship and has now stated his intention not to seek re-election at the time of the annual general meeting. We wish to record our appreciation of his significant contribution made throughout this period.

Although too early in the year to make accurate forecasts, improvement is our aim in Printing, Furniture and North Sea Gas Services and Utilities. The construction and allied businesses are still operating in difficult conditions and as yet are not confident of any short term improvement in the market. The final year end position will be very much influenced by their ability to maintain workload through the latter part of the year.

Copies of the Annual Report may be obtained from the Secretary, Grampian Holdings Limited, Stag House, Castlebank Street, Glasgow G11 6DY.

Bestobell expects upturn

UNLESS economic conditions worsen, engineering and chemical products manufacturers Bestobell should return to an upward profit trend in the current year. Sir Humphrey Browne, chairman, says in his annual statement. The year so far shows a marked improvement.

He also reports that the plan to set up a U.S. base is now about to be realised by the acquisition, in stages, of a majority holding in a merchandising company based in Houston, Texas, which already distributes a range of control valves made in the U.K.

As reported on April 21, taxable profit for 1976 slipped to £5.24m. (£5.67m.) on sales up from £58m. to £74.87m. with U.K. exports of £5.5m. (£3.24m.). The net dividend is raised to 8.4475p (7.5795p) per 25p share. Net liquid resources showed an increase of 10.23m. (£2.69m.).

Recent measures taken to strengthen the management of the South African company, where profit fell by nearly 20.2m., should result in better performance in the current year, says Sir Humphrey. One of the most important overseas contributions came from Australia where the current overall situation is said to be satisfactory.

At the industrial U.K. merchandising company, which suffered from sluggish demand for most of the year, there were signs of recovery in the latter months which has continued into 1977. The insulation contracting company, whose results were affected by a combination of adverse factors, has a strong order book which should provide an adequate work load for the current year.

Commenting on the Bullock report, the chairman says the recommendations for parity of employees with shareholders would be a recipe for divisiveness and disaster. Added to this there is also the objection where control of overseas companies are concerned.

Meetings, Hayes on May 27 at 11 a.m.

Chairman's statement, Page 30

S. Casket falls at halftime

For the half-year ended December 31, 1976, sales by S. Casket (Holdings) fell from £7.38m. to £7.27m., and profits were down from £448,074 to £498,075.

The directors state that the current trading position is reasonably encouraging with all divisions holding their own and the company should be able to produce another satisfactory year. Casket makes, distributes and sells clothes; in 1975-76 it made a profit of £914,000.

The interim dividend is effectively raised from 0.68p to 0.73p net; last year's total was equal to 1.7331p.

1976: Dunlop on the move again

"For the third successive year there was a significant improvement in Group Profits and the sharp increase in 1976 owed much to our broad international spread. Profit before tax rose from £52 million to £73.3 million (equivalent to £16 million after inflation adjustment)...."

	1975	1976	Increase
Customer Sales	£1,015 million	£1,289 million	+27%
Profit before Tax	£52 million	£73.3 million	+41%
Earnings per ord. share	14.7p	19.0p	+29%
Proposed Ordinary Dividend (gross)	5.5p	7.0p	+27%

"... It is too early to forecast the out-turn for 1977, but our product and geographical diversity should enable us to maintain good progress." Sir Reay Geddes KBE Chairman.



The Report and Accounts with its detailed review and analysis of the year's trading for Dunlop Holdings were posted to shareholders on 4th May, 1977. Copies are available from the Secretary.

Dunlop Holdings Limited
25-Ryder Street, London SW1Y 6PX.

Parsons' achievements

Present-not historic

- Last year two of the four Candu units at Pickering nuclear power station outperformed all the other 67 nuclear installations of comparable size around the world, and a third Pickering unit was fourth. Parsons supplied the 540MW turbine-generators.
- The 800MW sets at Bruce nuclear station in Canada commissioned in 1976 are the most powerful machines of British design to go on load anywhere in the world.
- For 13 years Parsons machines have consistently dominated the CEGB's thermal efficiency table. In each of the last four years the top four stations had Parsons turbine-generators.
- For the year 1976-77 the four Parsons 500MW machines at Ratcliffe power station generated nearly 14,000 million units—900 million units more than the previous CEGB record, itself set by Ratcliffe.
- Six of the eight 660MW sets commissioned in the UK and the only ones to achieve full load, are of Parsons manufacture.
- The first 660MW set at the South of Scotland Electricity Board's Hunterston AGR nuclear station generated twice its planned output in its first year of operation.
- Since the industry was rationalised in 1968, Parsons has won over 56% of the export orders for turbine-generators obtained by UK manufacturers. Sets have been supplied to 22 customers in 14 countries.
- The forced outage rate of the last eight CEGB 500MW sets of Heaton design has been 1.58%. This rate compares with the published figure of 3.3% for American sets of comparable size.
- Parsons is a major employer of skilled labour in the Northern Region—the area with the highest unemployment rate in Great Britain.
- The CEGB has instituted a system of auditing and approving the Quality Assurance procedures operated by their suppliers. Parsons is the first turbine-generator manufacturer to have received this approval. The Company's Quality Assurance procedures have also been approved after audit by major overseas supply authorities.
- Historic—Sir Charles Parsons invented the turbine-generator. Parsons were first in the UK to build and commission 60MW, 100MW, 120MW, 200MW, 500MW, 550MW and 660MW sets.

PARSONS-leaders in turbine-generator technology

C A Parsons & Company Limited



Member of the Reyrolle Parsons Group

Heaton Works, Newcastle upon Tyne, NE6 2YL

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Rights and dividend rise at Daimler-Benz

By Adrian Dicks

DAIMLER-BENZ announced today that it is raising its dividend from DM5.50 to DM6.50 per share for the 1976 business year.

The capital increase, like that proposed by BMW yesterday, will take the form of a rights issue. The Daimler-Benz supervisory board is proposing a one-for-five issue at par value.

During the first quarter of 1977, the company also stated that car sales were up by approximately 10 per cent.

AMERICAN COMPANIES

Chrysler executives under fire

BY STEWART FLEMING

SENIOR executives of Chrysler Corporation, the U.S. motor manufacturer, were severely criticised at the company's annual meeting yesterday.

Shareholders linked their criticism to the poor financial performance of the company, which suffered devastating losses of \$207m. in 1975 but recovered to a profit of \$238m. last year.

Retelling the recovery Mr. John J. Riccardo, the chairman, was awarded a bonus last year of \$448,000 on top of his salary of \$248,000.

Mr. Riccardo defended the payments, saying that bonuses and other incentives are necessary to attract and retain competent personnel.

Shareholders' views on the company's compensation policies were clearly indicated by the remarkable support which proposals put up by individual investors received.

Shareholders expressed an improvement in domestic and foreign

earnings in the coming few months. Mr. Harold J. Hayes, the company's chairman, said at the annual meeting, reports significantly in the first quarter.

The translation of foreign currencies into U.S. dollars in the first quarter produced a favourable exchange comparison of 3c a share.

Gains in the quarter from sales of Japanese securities were \$3.6m. against \$7.3m. a year earlier.

The latest quarter's net income includes operating income after taxes of \$11.4m.

RCA CORPORATION is confident it will achieve a record second quarter and is on its way to a record year.

MEMOREX CORPORATION reports record first quarter income and revenue, continuing its sharp recovery in performance.

HALLIBURTON COMPANY net earnings in the first quarter were \$88.1m. or \$1.16 a share.

Standard Brands explains bid to be taken. In 1976, total sales rose 9 per cent to Fls.511.9m.

The statement added that the financial situation remained under pressure last year and in the first quarter of 1977 because of strong price rises for raw materials.

The IHC pointed out that the articles of many Dutch listed companies contained provisions for the issue of preference shares.

The IHC Board said its duty was not only to protect the interests of shareholders and those of the Government, but also the interests of the company's employees, clients and suppliers.

It is also explained that such measures were more effective than was afforded by the Dutch merger code.

NEW YORK, May 4.

Turnaround to \$19m. profit at Reliance

RELIANCE GROUP reports total net income of \$19.2m. or \$2.29 a share. In the first quarter, against a net loss of \$1.7m. or 21c a share.

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BIS QUARTERLY

Commercial bank lending higher in final quarter

BY MARY CAMPBELL

THE VOLUME of international lending by commercial banks

The rise was \$17bn., the biggest quarterly increase since the first quarter of 1974, when demand was high in the immediate aftermath of the 1973 oil price increases.

The international banks' biggest single country debtor by a large margin remains Japan.

Through entities in Japan had started to cut back their net borrowing from international banks towards the end of last year.

The most startling rise last year, however, was in the net borrowing by Eastern European countries.

Other notable changes include a rise in Brazil's net borrowing from \$10.6bn. to \$14.4bn. and in Mexico's net borrowing from \$10.1bn. to \$13.4bn.

At \$447m., Zaire's net debt to banks remained virtually unchanged—the figure at the end of 1976 had been \$427m.

The net deposits with international banks by oil-exporting countries rose from \$7.0bn. to \$8.8bn. last year.

The net deposits with international banks by oil-exporting countries rose from \$7.0bn. to \$8.8bn. last year.

international banks from \$50.6bn. to \$62.7bn. and in gross borrowing from \$13.6bn. to \$23.1bn.

The BIS figures are compiled from reports by western commercial banks of the sources of their deposits and the direction of their loans on a country-by-country basis.

The particular value of the BIS analysis is that it includes banks' short-term deposits from and lending to entities in each country on a blanket basis.

The net deposits with international banks by oil-exporting countries rose from \$7.0bn. to \$8.8bn. last year.

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NORWEGIAN COMPANIES

Storebrand pays 9% dividend

BY FAY GJESTER

NORWAY'S Storebrand Insurance Group—the country's largest—is paying a 9 per cent dividend for 1976.

The cut reflects the year's "somewhat weaker operating results," the company said.

Profit figures for 1976 have not yet been realised. Premium income rose by Kr.117m. to Kr.1.2bn.

RAFINOR A/S which owns and operates Norway's largest refinery at Mongstad on the West coast, will float a Kr.35m.

NORSK HYDRO, Norway's largest industrial concern, today announced the forthcoming for a little over a year ago.

OSLO, May 4. retirement of its General Director, Johan B. Holte. He will be followed, in November, by Odd Narud at present Assistant General Director.

After his retirement, Mr. Holte will work on "special tasks" for Hydro, the announcement said.

Odd Narud, Holte's successor, is 58 years old and has been with Hydro for 34 years.

He has held with the concern include those of Financial Director and Managing Director. He became Assistant General Director a little over a year ago.

EUROBONDS

Prices down on the day

BY MARY CAMPBELL

With short term interest rates easing back a bit, the U.S. dollar sector of the Eurobond market stabilised yesterday afternoon.

However, this followed a morning of further selling, and prices were if anything down on the day.

In first time trading yesterday, United Biscuits closed at 99 1/2 (it was priced at 99 1/2) and Nordic Investment Bank at 98 3/4 (priced at par).

A number of issues were due for pricing last night. The New Zealand Development Finance

Corporation was increased in year tranche at par and the \$1 amount to \$25m. from the scheduled \$20m. and priced at par on a 7 1/2 per cent coupon, as indicated.

Bowater has been priced at par, on a 9 1/2 per cent coupon as indicated. Ford Motor Credit's two-tranche issue was also priced yesterday. The \$1 per cent seven

year tranche at par and the \$1 amount to \$25m. from the scheduled \$20m. and priced at par on a 7 1/2 per cent coupon, as indicated.

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Loan terms announced

By Our Own Correspondent

PARIS, May 4.

TRE FRs.6bn. French Government state loan announced a week ago to cover about half of the estimated 1977 public spending deficit is to carry an 8.8 per cent interest rate and to mature over 15 years.

Contrary to some expectations, amortisation will not be deferred but will apply from the first year.

The capital of the loan is being indexed to the European unit of account.

DOMESTIC BONDS

Swiss bonds hit

BY PAULINE CLARK

SWISS domestic bonds took the full brunt yesterday of the current slump in investment interest rates in the country.

Among a number of casualties in the primary sector, early indications were that the banks were left with a large proportion of the Geneva Canton Sw.Frs.50m. new money issue.

This was in spite of a 4 per cent coupon and issue price of par which until recently would have been considered very acceptable terms for a top quality Canton issue.

Canton Vaud, which is bringing a conversion offering to the market to-morrow, is reported to have made a last minute decision to lower the issue price 0.5 percentage points.

But the most dramatic adjustment to the current depression was made this week by the Leibstadt nuclear power company which was scheduled to be one of the biggest borrowers in the second quarter with a planned Sw.Frs.100m. bond.

Almost at the eleventh hour before it first came on offer yesterday, the amount was lowered considerably to Sw.Frs.40m. and the maturity from 15 years to 10 years.

For extra measure, the issue was given a 5 per cent coupon—the highest seen on the market for a long time—and a 9 1/2 per cent issue price. In normal times, a corporate group of this status would be expected to offer a lower issue price and a higher coupon.

Leibstadt, in fact, was badly fooled by the latest developments in the market. Originally it was scheduled to appear in the first quarter. It postponed the issue in the hope of better terms in the second. It has been over-optimistic in putting pressure on bond buyers to raise their yields—a situation which has been exacerbated by the fall in confidence

OTTOMAN BANK

Notice is hereby given that a DIVIDEND at the rate of £2.50 per Share, voted at the General Meeting of Shareholders, held on 4th May 1977, will be PAYABLE on and after 3rd June 1977, in London at the Office, 23 Fenchurch Street, E.C.3. The Coupon to be presented is No. 104. The holders of Founders' Shares will receive an amount of £257.20 per whole share payable on the same date and at the same place, against presentation of Coupon No. 47. Coupons must be listed on forms, which can be obtained on application, and left five clear days for examination before payment.

SAINT-GOBAIN-PONT-A-MOUSSON 1977 News Bulletin No3 Final consolidated results for 1976. The final consolidated accounts of the Saint-Gobain-Pont-a-Mousson Group for 1976 may be summarized as follows: Net consolidated sales amounted to 28 539 million francs in comparison with 21 164 million francs in 1975 (+35%).

Loan terms announced. By Our Own Correspondent. PARIS, May 4. TRE FRs.6bn. French Government state loan announced a week ago to cover about half of the estimated 1977 public spending deficit is to carry an 8.8 per cent interest rate and to mature over 15 years.

Swiss bonds hit. BY PAULINE CLARK. SWISS domestic bonds took the full brunt yesterday of the current slump in investment interest rates in the country. Among a number of casualties in the primary sector, early indications were that the banks were left with a large proportion of the Geneva Canton Sw.Frs.50m. new money issue.

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INTERNATIONAL FINANCIAL AND COMPANY NEWS

ANESSE COMPANIES Nissei Kaiun Defaults on bank payment

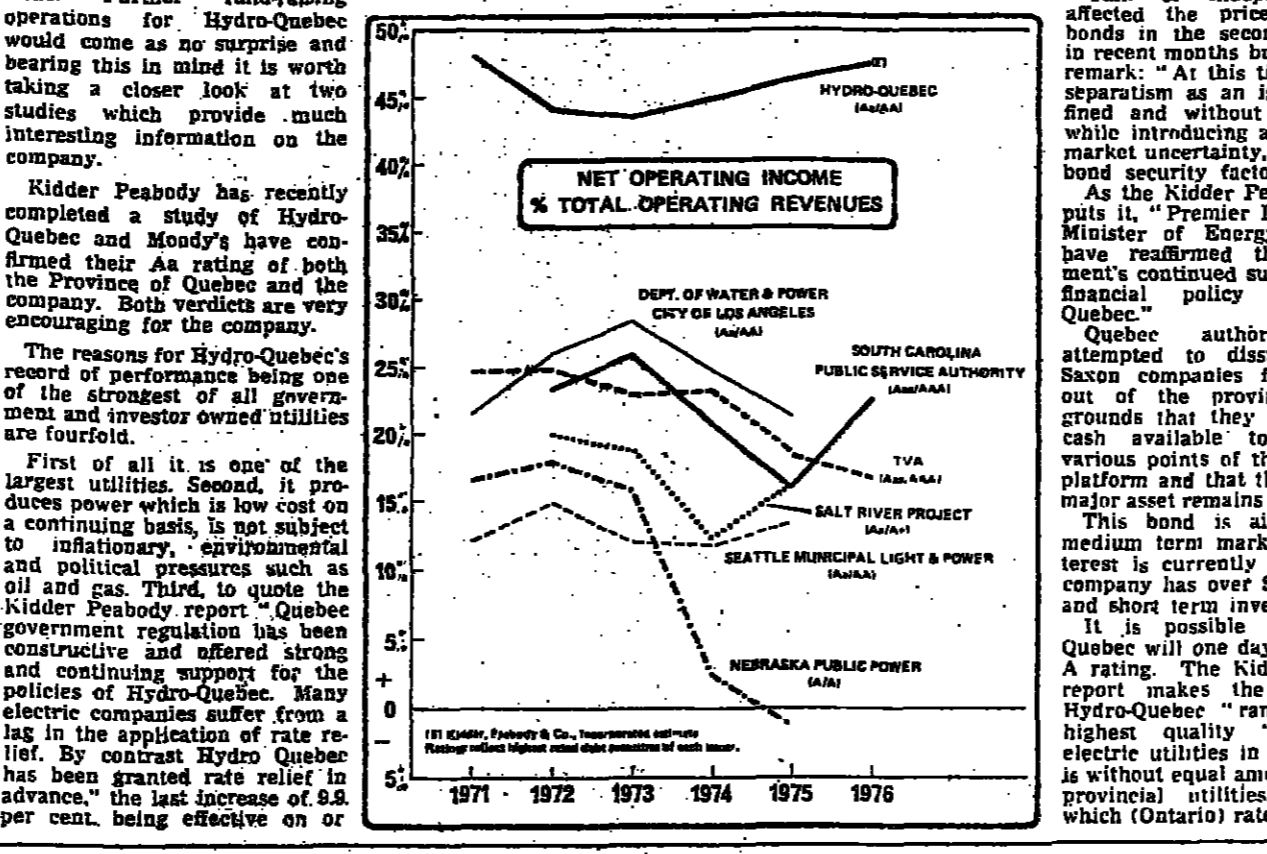
CHARLES SMITH - MEDIUM-SIZED Japanese company, Nissei Kaiun, defaulted on a payment to Dai Kangyo Bank early this month...

Other Asian countries have continued to press for the right to receive portfolio investment funds from Japan...

Rothschild Zurich pays more - ZURICH, May 4. THE ZURICH-BASED Rothschild Bank AG is to distribute an increased dividend of 20 (15) per cent...

HYDRO-QUEBEC A closer look than usual

BY FRANCIS GHILES - SO FAR this year the Province of Quebec and Hydro-Quebec between them have raised about \$384m on the euromarkets...



First of all it is one of the largest utilities. Second, it produces power which is low cost on a continuing basis...

Abercom bid for Protea

BY OUR OWN CORRESPONDENT - ABERCOM, the engineering based conglomerate, surprised the market this morning by slapping in an unsolicited all share bid for the pioneer of all South African conglomerates, Protea Holdings...

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

Table listing various Eurodollar bond prices and mid-day indications, including straight and floating rate notes, and D-Mark bonds.

CCA timetable deferred for one year

BY JAMES FORTH - AUSTRALIA'S accounting bodies have deferred the timetable for introduction of current cost accounting (CCA) by 12 months...

Amro issues Fls.150m. capital bonds

BY MICHAEL VAN OS - AMSTERDAM, May 4. HARD ON the heels of ABN's subordinated bond loan and rights issue announcement...

Sime Darby share trading

BY WONG SULONG - KUALA LUMPUR, May 4. SIME DARBY Holdings today announced that its 48.5m shares are now quoted on the London, Kuala Lumpur Stock Exchange and Kuala Lumpur exchanges...

VONTOBEL EUROBOND INDICES table showing various bond indices and their values.

National Bank of Hungary (Magyar Nemzeti Bank) advertisement featuring a logo and details about U.S. \$30,000,000 Redeemable Floating Rate Deposit Notes due 1981, listing various international branches and agents.

THE REPUBLIC OF CYPRUS advertisement featuring the national coat of arms and details about a U.S. \$30,000,000 MULTICURRENCY LOAN FACILITY, listing participating banks and the managing bank, Bank of America NT & SA.

WALL STREET + OVERSEAS MARKETS

Up another 6 on growing confidence

BY OUR WALL STREET CORRESPONDENT

THE UPWARD movement continued on Wall Street today when brokers reported a growing confidence among investors based on economic reports showing an overall improvement in the economy.

WEDNESDAY'S ACTIVE STOCKS

Table listing active stocks with columns for stock name, price, and change.

OTHER MARKETS

Canada also up - CANADIAN STOCK Markets also continued to generally gain ground in moderate trading yesterday.

price in Official Trading. GERMANY - Generally lower in lively trading. Banks and Communications were higher, while Commodities and Shippings were mixed to slightly lower.

NEW YORK - DOW JONES

Table showing Dow Jones index performance with columns for date, high, low, and close.

STANDARD AND POORS

Table showing Standard and Poors index performance with columns for date, high, low, and close.

OVERSEAS SHARE INFORMATION

Large table listing overseas share information with columns for stock name, price, and change.

NEW YORK, May 4

The U.S. dollar came under pressure in the foreign exchange market yesterday as the West German mark and Japanese yen advanced ahead of the economic summit meeting in London next week-end.

EXCHANGE CROSS-RATES

Table showing exchange cross-rates for various currencies.

EURO-CURRENCY INTEREST RATES

Table showing Euro-currency interest rates for different terms.

GERMANY

Table listing German stock market data.

TOKYO

Table listing Tokyo stock market data.

AMSTERDAM

Table listing Amsterdam stock market data.

COPENHAGEN

Table listing Copenhagen stock market data.

MILAN

Table listing Milan stock market data.

VIENNA

Table listing Vienna stock market data.

Gold closed unchanged at \$147.16 in quiet trading.

Gold closed unchanged at \$147.16 in quiet trading. The international market was unchanged at 3.92 per cent.

SPECIAL DRAWING RIGHTS RATES

Table showing special drawing rights rates for various countries.

BRUSSELS/LUXEMBOURG

Table listing Brussels/Luxembourg stock market data.

PARIS

Table listing Paris stock market data.

SWITZERLAND

Table listing Switzerland stock market data.

STOCKHOLM

Table listing Stockholm stock market data.

OSLO

Table listing Oslo stock market data.

JOHANNESBURG

Table listing Johannesburg stock market data.

SPAIN

Table listing Spain stock market data.

GOLD MARKET

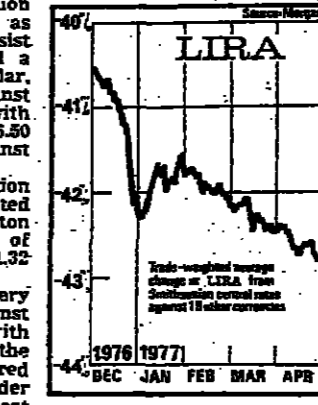
Table showing gold market prices for various locations.

FOREIGN EXCHANGES

Table showing foreign exchange rates for various currencies.

OTHER MARKETS

Table listing other market data for various regions.



LIRA

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

FORWARD RATES

Table showing forward rates for various currencies.

MINES

Table listing mine stock prices.

INDUSTRIALS

Table listing industrial stock prices.

AGRICULTURE

Table listing agriculture stock prices.

ENERGY

Table listing energy stock prices.

UTILITIES

Table listing utility stock prices.

FINANCIAL

Table listing financial stock prices.

TELECOMMUNICATIONS

Table listing telecommunications stock prices.

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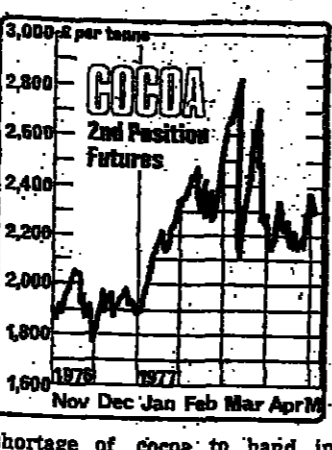
FARMING AND RAW MATERIALS

Wheat pact talks make progress

OTTAWA, May 4. DIAN EFFORTS to establish new international wheat arrangements have another step forward...

'Significant' reduction in cocoa prices possible

FUNDAMENTAL SUPPLY and demand considerations point to a significant decline in cocoa prices...



Duffus indicates that supply will fall short of demand by 36,000 tonnes in the 1976-77 season. Production is put at 1,381,000 tonnes...

Carter opts for sugar support payments

WASHINGTON, May 4. PRESIDENT CARTER today decided not to impose either quotas or higher tariffs on sugar imports from the U.S.

Producers upset over price fall

THE RECENT violent plunge in world coffee prices has caused consternation among traders here who are accusing the Brazilian Coffee Institute of mishandling the situation...

Food industry relief attacks

PRICE CURB plan under consideration. GOVERNMENT PLANS for new controls could be disastrous for food industry...

U.S. futures trading rule change

WASHINGTON, May 4. THE COMMODITY Futures Trading Commission has approved a staff proposal raising the levels under which large traders have to register...

Soya dispute continues

CHICAGO, May 4. Mr. W. H. HUNT says he has not liquidated any of his holdings in soybean futures contracts since the Commodity Futures Trading Commission announced its suit last Thursday...

FAO worried over world rice crop

ROME, May 4. DESPITE RECENT favourable trends, the problem with rice in the Far East, China, Thailand, India and the Philippines has become acute...

Canada may relax ban on cyclamates

OTTAWA, May 4. THE CANADIAN Health Department says it is possible that the eight-year-old ban on cyclamates might be relaxed and the artificial sweeteners re-introduced on a limited basis...

COMMODITY MARKET REPORTS AND PRICES

Table with columns for Commodity, Unit, and Price. Includes sections for SR METALS, GRAIN, and SOYABEAN MEAL.

PRICE CHANGES

Table showing price changes for various commodities like Wheat, Corn, and Soybeans.

U.S. Markets

Table showing U.S. market prices for Soybeans, Coffee, and other commodities.

Sensational Bar Charts

Advertisement for Bache Halsey Stuart Inc. featuring bar charts and financial analysis services.

MESSAGE TO MANCHESTER

Advertisement for financial services in Manchester, including investment and trading options.

MINARS

Advertisement for Minars, a company specializing in mineral and commodity trading.

GRAINS

Table listing prices for various grain commodities like wheat and corn.

Wool Futures

Table showing wool futures prices and market commentary.

Meat/Vegetables

Table listing prices for meat and vegetable commodities.

COTTON

Table showing cotton futures prices and market news.

FINANCIAL TIMES

Table with financial data and market indicators from the Financial Times.

STOCK EXCHANGE REPORT
Leading equities up sharply on demand in thin market
Index up 12.0 to 3 1/2 year high of 440.0—Gilts higher

Account Dealing Dates

First Declara- Last Account Dealing Date
Apr. 21 Apr. 21 Apr. 22 May 2
Apr. 22 May 3 May 4 May 11
May 9 May 19 May 20 May 21

The emphasis in equity stock markets yesterday switched to leading shares after the recent spell during which most of the business was concentrated in second-line and other, more speculative, issues.

Government securities were also in demand, although the price-earnings ratio remained relatively high. Supplies of selected issues, particularly high-coupon maturities, were short and it was largely this factor which took quotations up quickly and culminated in gains to 2 and a little more in the afternoon.

A small two-way trade made little impression on rates for investment currency and at the close the premium was higher at 122 per cent. After a period of 112 to 120 per cent, yesterday's SE conversion factor was 0.6805 (0.6841).

Activity in insurance remained at a low ebb but the trend was up. Royal Sun Alliance put on 3 to 424, while Guardian Royal Exchange added 7 at 204.

Long Gilts feature
A strong forward move by longer-dated British Funds exaggerated the underlying

speculative buying lifted H. and R. Johnson-Richards 7 to 192 1/2. Tarnae was a similar amount dearer at 171 1/2. Taylor Woodrow ended with a 10 improvement at 320 1/2. Still recommending an investment recommendation, Higgs and Hill put on 3 more in 400, for a two-way advance of 10, while the company's encouraging remarks at the annual meeting left Leonard Fairclough 4 better at 166 1/2. In front of last Tuesday's results, Richard Custain added 3 to 183 1/2. A full range of late on the Price Commission's rejection of an application

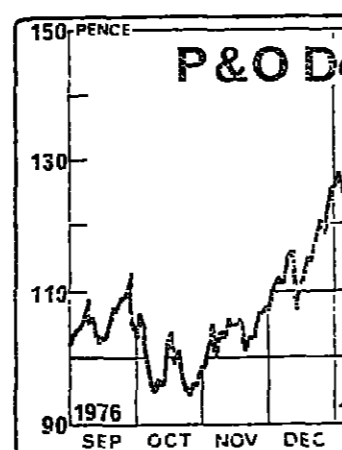
for a 100 per cent increase in the price of cement. The price of cement rose 10 to 181 1/2. In Chemicals, particularly 10 to 122 1/2. In reasonably active trading which included option business, the first-quarter figures are due on May 26. Flints rose 8 more to 358 1/2. On further speculative support and Hicks and Welch were a like amount dearer at 408 1/2. Lupton Industries, however, cheapened 2 to 116 1/2 following the consideration of the results. Anglia was notable for a rise of 10 to 126 1/2. Television concerns

Wigfall rise afresh
Wigfall rose 10 to 216 1/2. The price of the better and put on 2 to 216 1/2. While other leading Electricals also showed improvement, GEC 7 to 149 1/2 and Thorn Electrical 4 to 116 1/2. On the other hand, the Royal Ordnance closed 4 lower at 170 1/2 following the full report. Elsewhere continued speculative support in a restricted market left H. Wigfall 7 higher at 187 1/2 and M. K. Electric a recent high of 167 1/2. A. E. Electronic continued in attract buyers and advanced 3 to a fresh peak for the year of 99 1/2. Ever Ready put on a similar amount to 161 1/2.

Ultrasun up again
Ultrasun were again well to the fore in the 10 to 186 1/2 on a good demand from the U.S. and local support. Shell traded reasonably briskly at 322 1/2, but the activity in British Petroleum, which nevertheless closed 12 better at 812 1/2. Barham firmed with a gain of 7 at 117 1/2. While Tricentral found support at 144 1/2.

Property leaders to edge higher
Recently granted exemption from U.K. dividend control Lomra Ordinary and New nil-paid shares both closed 4 up at 78 1/2 and 28 1/2 respectively. After Tuesday's fall of 11 on falling bid home, Gill and Duffus hardened a penny harder at 205 1/2. The rights issue, while the New nil-paid shares opened at 22 1/2 premium and closed at 25 1/2 premium following a good business, the surge in interest down Under cover being followed through in London. Trading was the most

Dunlop remained the roan focal point for Motors and kindred issues, easing afresh to 860 despite the dividend forecasts which accompanied the 126.5m. rights issue proposal before rallying strongly with the better on the day at 103 1/2. Lucas Industries ended 6 higher at 283 1/2 while Commercial Vehicles had a 4 up at 31 1/2 and Fedens 3 to 10 1/2. Associated Dairies were noteworthy for an advance of 10 to 285 1/2. Recent takeover forecasts returned to centre stage, J. Bibby, at 143 1/2, recouped the previous day's loss of 8. Rises of 3 were scored by Bejam, 113 1/2, and by the British Car Auctioneer, 103 1/2. In the 130p share cash offer from Northern Foods, a penny harder at 78 1/2. Tesco attracted a good business in sympathy with the 40p cash offer, rising to 160 1/2. Associated Newspapers hardened 4 to 170 1/2 for a similar reason. Elsewhere, details of the Swedish packaging deal took Jefferson Smurfit 7 to 167 1/2.



George Oliver A put on 4 to 35 1/2. In the Engineering group, a rise of 14 to 212 1/2. In GKN following the encouraging annual report, John Brown rose 6 more to 158 1/2. On the other hand, the Royal Ordnance closed 4 lower at 170 1/2 following the full report. Elsewhere continued speculative support in a restricted market left H. Wigfall 7 higher at 187 1/2 and M. K. Electric a recent high of 167 1/2. A. E. Electronic continued in attract buyers and advanced 3 to a fresh peak for the year of 99 1/2. Ever Ready put on a similar amount to 161 1/2.

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FINANCIAL TIMES STOCK INDICES

Table with columns for indices: Government Sec., Fixed Interest, Industrial Ordinary, Gold Mines, etc. with values for May 3, 2, 1, and 1976.

HIGHS AND LOWS S.E. ACTIVITY

Table showing High and Low prices for various indices and S.E. Activity for May 3 and 2.

Based on 20 per cent corporation tax, 1976-77. Basis 100 Govt. Sec. 15.10 20. Fixed Int. 100. Ind. Ord. 1. 25. Gold Mines 12.10 45. SE Activity July-Dec 1976.

Continued hopes that the Agency Company of Australasia will reorganise to figure prominently, second Fox Report will recommend a two-for-one split, while E2 speculation about the future of Industries went up 5 to 31 1/2 and the 32.1 per cent stake held by Peko-Walden gained 10 to 510 1/2.

Denials from MIB and Thies that any merger moves were in prospect allowed MIB to recover most of Tuesday's fall with a advance on the day of 5 to 235 1/2. Thies were unchanged at 192 1/2. Selective buying developed in RTZ, reflecting the firmness of the U.K. industrial market, as the shares recovered 6 to 236 1/2 which closed 3 higher at 140 1/2. But there was little business in after a good turnover on the other London-based financials, better-than-expected preliminary although prices were marked up, expected to publish results shortly. Selection Trust 3 better at 46 1/2 and Gold Fields 1 harder at 160 1/2.

Although the bullion price held steady—closing unchanged at 147.575 per ounce—and the investment dollar premium was higher, South African gold shares were subdued in front of the International Monetary Fund auction. The Gold Mines Index fell 1.5 to 117.0. Although St. Helena dropped 37 to 225 1/2, falls were generally held to 25. Yaal Reefs lost that amount to 210 1/2, along with Gendul, at 92 1/2 and Western Holdings, at 51 1/2.

Some investment interest was shown in De Beers, with rumours circulating of a further dividend proposal. Anglo American's turn was extended with a further rise of 4 to 285 1/2. Anglo American Investment rose in sympathy to 237 1/2. Copper were steady with Palambor 10 higher at 66 1/2 and Zambian Copper 1 firmer at 191 1/2. Tins stayed near overnight levels.

AUSTRALIAN

Australians were the main feature in the mining markets. The surge in interest down Under overnight being followed through in London. Trading was the most widespread modest gains following

ENTERTAINMENT GUIDE

Entertainment Guide listing various theatrical productions, including Opera & Ballet, Theatres, and Active Stocks.

RECENT ISSUES EQUITIES

Table of recent equity issues with columns for Issue, Price, and Yield.

FIXED INTEREST STOCKS

Table of fixed interest stocks with columns for Issue, Price, and Yield.

RIGHTS OFFERS

Table of rights offers with columns for Issue, Price, and Yield.

ACTIVE STOCKS

Table of active stocks with columns for Issue, Price, and Yield.

FT—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table of FT-Actuaries Share Indices with columns for Group, Index, and Yield.

FIXED INTEREST

Table of fixed interest securities with columns for Issue, Price, and Yield.

NEW HIGHS AND LOWS FOR 1977

Table of new highs and lows for 1977 with columns for Issue, Price, and Yield.

RISES AND FALLS YESTERDAY

Table of rises and falls yesterday with columns for Issue, Price, and Yield.

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AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Table of Authorised Unit Trusts listing various funds such as Henderson Administration, Pricedaily Unit Tr. Mgrs., and others with their respective performance metrics.

Table of Offshore and Overseas Funds listing various international investment funds such as Fidelity Mgmt. & Res. (Eds.) Ltd., Kemp-Ge Management Jersey Ltd., and others.

Table titled 'BASE LENDING RATES' listing interest rates for various banks and financial institutions.

INSURANCE, PROPERTY, BONDS

Table of Insurance, Property, and Bonds listing various insurance companies and their products, including Abbey Life Assurance Co. Ltd., General Perilous Life Ins. Co. Ltd., and others.

Table titled 'LEADERS AND LAGGARDS' showing percentage changes in various market indices and sectors.

Advertisement for CLIVE INVESTMENTS LIMITED, including contact information and a table of insurance base rates.

WADKIN MACHINE TOOLS THE NC SPECIALISTS

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

Table of British Funds including Treasury, Corporate, and International Bank categories with columns for Stock, Price, and Yield.

CORPORATION LOANS

Table of Corporation Loans listing various companies and their financial metrics.

COMMONWEALTH & AFRICAN LOANS

Table of Commonwealth & African Loans listing international investment opportunities.

FOREIGN BONDS & RAILS

Table of Foreign Bonds & Rails listing international securities and rail investments.

AMERICANS

Table of American Stocks listing US equities.

CANADIANS

Table of Canadian Stocks listing equities from Canada.

BANKS AND HIRE PURCHASE

Table of Banks and Hire Purchase companies.

BEERS, WINES AND SPIRITS

Table of Beers, Wines and Spirits companies.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of Building Industry, Timber and Roads companies.

BUILDING INDUSTRY - Continued

Continuation of Building Industry table with more company listings.

CHEMICALS, PLASTICS

Table of Chemicals and Plastics companies.

CINEMAS, THEATRES AND TV

Table of Cinemas, Theatres and TV companies.

DRAPERY AND STORES

Table of Drapery and Stores companies.

DRAPERY AND STORES - Continued

Continuation of Drapery and Stores table.

ELECTRICAL AND RADIO

Table of Electrical and Radio companies.

ENGINEERING, MACHINE TOOLS

Table of Engineering and Machine Tools companies.

ENGINEERING - Continued

Continuation of Engineering table.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, etc. companies.

HOTELS AND CATERERS

Table of Hotels and Caterers companies.

Large table of Industrial and Miscellaneous stocks with columns for Stock, Price, and Yield.

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LIFTRUCS LIMITED TOYOTA FORKLIFT

African friendship takes you a long way

JUBILEE PLEA FOR UNITY STARTS POLITICAL STORM

The Queen in devolution row

BY RUPERT CORNWELL

AN OPEN FLEA to maintain the unity of the Kingdom has embroiled the Queen in the controversy over the Government's devolution plans for Scotland and Wales...

emphatic "hear, hears" from the bulk of the politicians in the audience, the Queen, who was flanked by other members of the Royal Family, went on: "I number Kings and Queens of England and of Scotland, and Princes of Wales among my ancestors and so I can readily understand these aspirations. But I cannot forget that I was crowned Queen of the United Kingdom of Great Britain and Northern Ireland."

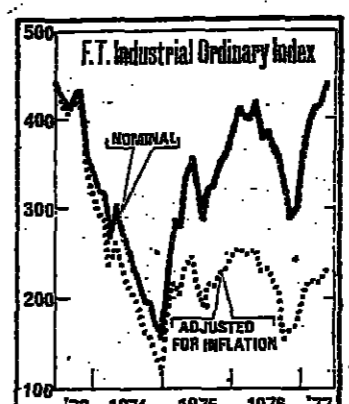
Unlike those at State Opening of Parliament her speech was drawn up not by the Government but by the Queen and her closest advisers. "The problems of progress, the complexities of modern administration, the feeling that Metropolitan Government is too remote from the lives of ordinary men and women, these among other things have helped to revive an awareness of historic national identities in these islands," the Queen said.

THE LEX COLUMN

Dunlop pumps up equity base

Yesterday's move by the FT 30-Share Index into ground un-trodden for 31 years could scarcely be described as taking place in enthusiastic conditions—only 5,514 bargains were marked—but in the absence of willing sellers share prices can only move one way. In real terms shares remain far below 1973 levels and the build-up of liquidity, particularly in the pension funds, is becoming a significant positive force. But for the moment managers are not keen to chase prices higher in anticipation that better bargains could be offered by the BP sale and any increased flow of rights issues (where the queue apparently now stretches into July). Moreover, the rejection of any further pay deal by the engineering union could provide a test for the market this morning.

Index rose 12.0 to 440.0



emphasis on efficiency is enabling it to continue increasing its market share by under-cutting its high-street rivals. For the current year, gross margins are easing slightly but a combination of another 5 per cent. extra selling space and a further favourable movement in the cost structure should push sales volume higher and produce profits of £31-£33m. Naturally, phase III could upset these projections and the latest amendments to the price code could pose some potential problems for margins, but Sainsbury should be able to maintain its premium rating.

Dunlop

Tuesday's price weakness, reflecting market rumours of the rights issue which materialised yesterday, probably cost Dunlop over £1m. in proceeds, with the price of 83p being set perhaps 4p below where the group might have hoped. But that hurts shareholders not at all, and indeed Dunlop itself suggests this is a "relaxed" issue, with the group well able to finance its expanded capital programme otherwise but feeling it right to take advantage of the opportunity to improve its balance sheet ratios. This suggestion conflicts a little with the fact that the issue is on a distinctly heavy one-for-three basis; but then, the large discount of the pre-rights capitalisation of around £100m. against book net worth of £239m. meant that a lighter issue would have run the risk of being completely irrelevant.

P & O

P & O's results impressed the market yesterday pushing the shares up 5p to a level where—at 140p—a rights issue must remain a strong possibility. Certainly the trading background is now vastly improved: profits before tax and ship sales for 1976 are £28.3m., rising to £41.1m. if provisions on banking and development land are added back. On the latter basis, the previous 15-months trading period could only achieve £24m.

J. Sainsbury

Sainsbury's first-half profits caught the stock market by surprise and now an equally impressive second-half has resulted in a 70 per cent. jump in preliminary pre-tax profits to £38.2m. Taking no account of an extra £1.3m. for pensions, the figures are £2.83m. above analysts' best estimates and the shares up on 16p. to 190p. on the news.

The bulk carriers, accounting for roughly two-thirds of the fleet, are still on hard times and likely to stay that way in 1977. But general cargo is moving up strongly thanks to buoyant trading in the Middle East. OCL is a star performer and the turnaround from losses to profits on the passenger trades and at European and Air Transport could have been worth £15m. before interest.

This year total profits before tax and ship sales could comfortably exceed £50m.—in which case published earnings per share would get close to 25p, compared with the 8.5p being paid as a net dividend for 1976. Of course, this sort of projection assumes that any further above the line provisions will not be repeated on the same scale as last year and £4.2m. of terminal costs a Bovis Canada suggest that this could be the case. A clearer overall picture will emerge next Wednesday when the annual accounts are published. Meantime, sterling's decline has added something like an eighth to gross borrowings, while last year's £8.7m. property sales lets most of Hong Kong. The shares in the food m-64 per cent, and the m capitalisation is £195m.

Weather

BRIGHT or sunny spells with isolated showers chiefly in western districts. S.E. Cent. S. Cent. N. England, Midlands. Early fog, otherwise sunny intervals, mainly dry. Wind N.W. Max. temp. 14C (57F).

BUSINESS CENTRES

Table with columns for location, time, and weather conditions for various business centers.

HOLIDAY RESORTS

Table with columns for location, time, and weather conditions for various holiday resorts.

Home loans rate may drop again after record savings month

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

THE BUILDING societies had their best ever month for savings in April and an early decision to cut the mortgage rate again is now expected. Figures for the movement's performance last month are still being collated but early returns suggest that the societies may have taken in as much as £500m. in net receipts. The previous monthly record was £406m. in April 1976.

steadily back as general interest rates have declined, leaving the societies in a strong position to attract savings. By the beginning of April, the societies' interest rates were so far out of line with those of their competitors that they decided to reduce the record 12 1/2 per cent. mortgage rate to 11 1/2 per cent. The investors' rate was cut from 12 per cent. gross (7.8 per cent. net) to 10.77 per cent. (7 per cent. net). The lower borrowers' rates are just taking effect. In the last few weeks, however, competitive interest rates have fallen further—the banks are now offering only 4 per cent. gross on deposits—and building society receipts have continued to rise sharply. As a result another reduction in the movement's own interest rates looks certain to come within a few weeks, despite some fears that April may prove to be an exceptional month. Building society leaders met in Eastbourne in two weeks time for their annual conference. By then they will have an idea of the inflation pattern for May. A decision to cut the rates would be taken there, otherwise it looks likely to be decided upon by June.

Minimum price set for EEC reinforcing steel bars

BY DAVID BUCHAN

BRUSSELS, May 4

THE BRUSSELS Commission will intervene directly on an industrial market for the first time in many years when the compulsory minimum prices which it set today for reinforcing steel bars come into effect on Monday. Viscount Etienne Davignon, the EEC industry Commissioner, said when announcing the imposition of the prices—which also include voluntary reference prices for five other steel products—that the step was the first of many needed to stabilise and restructure the European steel industry. This announcement effectively overrules strong objections to the minimum price plan raised by Italy in yesterday's Council of Ministers. The Commission, however, need only inform the Council in this matter and does not have to get its approval. Viscount Davignon said that it was largely because some Italian producers had flouted compulsory voluntary attempts to stabilise prices for reinforcing bars that compulsory measures had to be taken now.



VISCOUNT DAVIGNON First of many steps

minimum price. At present imports of these bars amount to only 0.8 per cent of EEC bar production. On the other hand EEC exporters will have to obey the minimum price in Austria, Portugal, Norway, Sweden and Finland under common arrangements which require a uniform steel price between the EEC and the European Free Trade Association. The Germans have virtually dropped their objections to the price stabilisation part of Viscount Davignon's plan. They still object in principle—and made this clear again in yesterday's Council meeting—to outside interference with the market. But Bonn and German steel industry sources admit they have no alternative remedy to suggest. Viscount Davignon estimated that if nothing was done to stop the eroding competitive position of European steel, about 100,000 jobs in the 700,000-strong EEC steel workforce would be in danger.

Reinforcing bars, used mainly in the construction industry, account to only 0.8 per cent of EEC steel production but are at present particularly in glut. But he made a concession to the U.K. when he said that the minimum reference prices would be reduced to higher levels until the end of the year. Commission Mr. Edmund Dell, the U.K. Trade Minister, complained in the Council yesterday that many U.K. steel prices were above the new reference prices and that the latter would come to be seen by U.K. steel users as a maximum above which they would not buy. British Steel Corporation officials in Brussels said they were satisfied with the future

upward adjustments proposed by the Commission. The compulsory prices, which will be published in tomorrow's EEC official journal, are £194 a tonne for ordinary reinforcing bars and £124.50 for stronger bars. They will come into force on Monday and unless the Commission decides otherwise will last until the end of the year. Commission Mr. Dell said that the psychological effect on the market. The publication of minimum reference prices tomorrow would hold this trend. These voluntary prices, not yet officially announced, are reportedly to be £150 a tonne for beams and sections, £190 and £185 for two kinds of wire rod, £147 for merchant bars, £124 and £128 for two kinds of plate and £186 for cold rolled sheet.

Officials at Credit Suisse face probe

By John Wicks

ZURICH, May 4. THE LARGE-SCALE loss of the Calasso branch of Credit Suisse resulting from the misdirection to Liechtenstein of Sw.Fr.2.2bn. of clients' fiduciary funds could have consequences for senior officials of the bank, it was learned today. At the same time the Swiss authorities and Parliamentarians foresee strict application of banking control in a number of fields in order to prevent similar occurrences. Swiss Banking Commission is investigating whether those entrusted with the administration and management of Credit Suisse constitute a safeguard against objectionable business activity. Details disclosed in a statement made by the governing Federal Council to both houses of the council's Parliament in Bern today. The commission's investigations were to determine "causes and responsibilities" in the case where the question of possible contraventions of the banking law was also under consideration.

Changes

The official statement follows a comment made on television yesterday evening by Dr. Hermann Bodenmann, the commission president, that investigations "could extend to the highest level of the bank's management and could lead to corresponding personal changes. Credit Suisse today drew attention to the creation earlier this week of a special investigation commission made up of members of the supervisory board of the bank to examine responsibilities for the affair "at all headquarter and branch levels.

"Expressing its concern at the serious irregularities in the management of the Calasso branch, the Federal Council stated that the public had no cause for alarm and that the affair would be cleared up as soon as possible. The Social Democratic Party has announced plans to launch a national referendum campaign aimed at strengthening State control over banks in general and Credit Suisse in particular. Reports

Callaghan summit call on inflation and jobless

By Reginald Dale

MR. JAMES CALLAGHAN, Prime Minister, will urge this week-end's Downing Street summit to give priority to the related problems of unemployment and inflation in the Western world. He will ask that particular attention be focused on youth unemployment, on which he is likely to put forward some British ideas for discussion. Leaders of the six other countries attending the talks, the U.S., Germany, France, Italy, Canada and Japan, are expected to hear their host repeat past warnings that if collective action is not taken there is danger of a return to severe trade protectionism and a disruption of the West's social fabric.

The U.K. certainly expects some arguments over precisely how far the stronger economies should reduce during the recovery while the odds is on the weaker to produce restraint. But dramatic decisions are not expected to emerge from the week-end gathering, to be attended by Foreign and Finance Ministers as well as Heads of Government. As at the previous Rambouillet and Puerto Rico Summits, the aim is to give impetus to work in other fields such as the IMF, the World Bank, the OECD, GATT and the North-South "dialogue."

Progress call

Specifically, the Downing Street meeting is expected to give a signal to developing countries assembling in Doha for the final stages of the conference on International Economic Co-operation. It will also be likely to emphasize the importance of the "West" attaches to progress in the EEC. It is not clear if details of their negotiations also form part of the summit, but it is likely to include a renewal of commitments to avoid new protectionist measures and an appeal for progress in the present round of multilateral trade negotiations in Geneva. The summit is also expected to endorse last week's approval in principle in Washington of a new IMF lending facility and discuss the latest EEC proposal for a \$1bn. fund to aid developing countries in lieu of debt re-scheduling. Michael Blandin writes: The U.S. dollar came under pressure in the foreign exchange markets yesterday, ahead of this week-end's economic summit meeting in London.

Continued from Page 1

There was speculation in the market that West Germany and Japan might be forced to concede an appreciation of their currencies as part of an agreement to assist world economic recovery. This had a depressing impact on the dollar, which began the E-Mark and the Japanese regained ground. The dollar slipped to DM2.3475 compared with DM2.3625 on the previous day, and from 1278.12 to 1274.80. Its weakness spilled over into the sterling rate, where the Bank of England again intervened to buy dollars for the first time in several months in order to hold the pound down. Sterling closed with a gain of 5 points on the day at \$1.7199.

Continued from Page 1

£7 back on every phone In the last week, Mr. Eric Varley, who as Industry Secretary is responsible for the Post Office, and Mr. Roy Hattersley, the Prices Secretary, have said that they would not want to be associated with a decision to meet the requirement of the Price Code, but it had to be understood that what was distributed now as a rebate would have in the re-organized at some later stage negotiations with the unions, who have been calling for freeze on nationalised industry prices—if it were again seen to stir the commission's ruling. Sir William Ryland, the Post Office chairman, said last night that he accepted the requirement of the Price Code, but it had to be understood that what was distributed now as a rebate would have in the re-organized at some later stage

Power workers may back strike

Last night, Mr. Paisley responded to news from London that the United Ulster Unionist Coalition at Westminster had announced the strike leaders by suggesting that the leadership of the U.U.C. community was now vested in the Action Council, which the Protestant people were following. Mr. William Craig, leader of the Vanguard Unionists, who has opposed the present strike, said last night that it would now be

logical for all those Unionists who were opposed to Mr. Paisley and Mr. Baird to regroup by creating a union. "I don't believe they speak for the ordinary grass-roots Unionists, even those who are mutually-minded. After a meeting of the Action Council, the leaders appeared confident that the tide was turning their way." Mr. Paisley said that Ulster has ascribed the first effects of the strike, people are considering the political implications. Mr. Paisley appears to be making a bid to establish himself as leader of the Ulster Protestants over Mr. Harry West and Mr. Enoch Powell.

The Action Council last night took new measures to try to bring life to a halt in Ulster. They placed upon children to strike from school and industrial workers were urged to join the strike and to make themselves and others were called upon to join the strike. In a letter to members expelled outside a public station in York Street in a four mile in the strike and a petrol station. No injured were reported.

Portugal offers British farm machinery a crop of opportunities. Agriculture represents one of the many opportunities Portugal today offers British manufacturers of agricultural machinery.

BANCO TOTTA & ACORES. For a great deal of advice and practical assistance you have only to contact Banco Totta & Acores, Portugal's oldest and also one of its largest banks, with over 100 branches. We are here, in the City of London, at 1-3 Abchurch Yard, EC4N 7BR.

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